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# CURRENT HISTORY

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# CURRENT HISTORY

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## EDITOR'S NOTE:

The countries of Eastern Europe have spent the past five years undergoing the transition from communism to democracy and the market. Two extremes have emerged to mark this transition.

One, the former Yugoslavia, was violently torn apart before the transition process was firmly under way. Bosnia, which has suffered the most for extricating itself from the Yugoslav federation, and Macedonia, which slipped away almost unnoticed, are the two parts of this extreme that are examined in this issue.

The other extreme is the Czech Republic. Reinvented as a new state, it has firmly established democratic foundations and fully and successfully embraced the market. Carol Skalnik Leff offers a provocative analysis of the political and social dynamics that have propelled this part of the former Czechoslovakia.

Between these extremes are Poland, Hungary, and Romania. Ray Taras explains why Poland, the country that catalyzed political change in Eastern Europe, has turned to a former communist to guide its burgeoning market economy. Patrick O'Neil explores why Hungary, which seemed poised for economic success once communism was officially abandoned, has been unable to fulfill its promise. And Thomas Carothers probes the image of a progressive Romania to find the reality of a state that is politically and economically inert.

We begin with a survey of all of Eastern Europe by Sabrina Petra Ramet, who argues that the region is gripped by a history that has neither ended nor repeated itself as farce, but has accelerated, with the concomitant social and political consequences only now emerging.

## COMMENTS ON THIS MONTH'S ISSUE?

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"Some might be inclined to believe that the changes in Eastern Europe are in harmony with Marx's dictum that historical events occur twice: the first time as tragedy, the second time as farce. A number of considerations should lead us to expect a different pattern in the 1990s."

## Eastern Europe's Painful Transition

SABRINA P. RAMET

Six years after the collapse of communism, Eastern Europe confronts a new array of problems. Many Eastern Europeans are disappointed with what political change has brought them. In the Balkans, the Bosnian war has resulted in between 200,000 and 500,000 deaths, has all but obliterated the Bosnian economy, and has had negative repercussions throughout the peninsula. Throughout Eastern Europe nationalist and reformed communist parties have gained in strength. Their recent electoral successes reflect widespread discontent with the status quo and a deep desire for a new direction.

### ECONOMIES IN TRANSITION

Of all the tasks with which the postcommunist elites have had to wrestle, perhaps the most urgent was economic rehabilitation. Eastern Europe's communist systems had collapsed amid growing institutional and economic disarray, and the years between 1990 and 1993 saw variable rates of decline in every economy in the region. Poland, the Czech Republic, Hungary, and Slovenia were the first to begin economic recovery, and by 1994 most states in the region could boast positive rates of growth in GDP and industrial production.

The big success story in Eastern Europe is the Czech Republic. Thanks to the austerity program of Prime Minister Vaclav Klaus, it could claim complete conversion to a free market economy by 1995, with a low unemployment rate of 3.5 percent. The Czech inflation rate of 10 percent is, moreover, the third lowest in the region. At the same time Hungary, whose recovery had looked quite sturdy between 1992 and 1993, fell into a slump in mid-1994 as export earnings dipped and foreign investment slowed. Between 1994 and 1995 it was the only state in the region besides Albania to experience a decrease in GDP growth rates. In October, however, after months of budget deficits, Hungary recorded a budget surplus, possibly signaling the beginning of an economic rebound.

Poland's recovery has been slower than that of the Czech Republic but stronger than Hungary's. As of November 1994, the underground economy still accounted for as much as 40 percent of Poland's economic output—as compared with 30 percent in Hungary and 20 percent in the Czech Republic. Unlike the Czech Republic, Poland has moved somewhat more slowly with privatization, but thanks to robust growth in the private sector, private enterprise accounted for about 56 percent of GDP by the end of 1995. Poland's economic recovery owes something to the willingness of Western banks to write off large portions of the country's foreign debt.<sup>1</sup>

While the lethargic pace of Poland's privatization has whetted the appetite of foreign investors, delays in the capitalization of the Slovenian market have frustrated investment and slowed economic recovery.

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<sup>1</sup>For example, in August 1994, when Western banks agreed to write off half of Poland's \$13 billion commercial debt.

ery. In fact, privatization in Slovenia began in earnest only in 1994, and as of October 1995, just 342 of the 1,500 enterprises eligible for conversion had been transferred to private ownership.

All the countries in the region had to deal with the loss of assured supplies of raw materials, a condition that worsened for most after the Russian market disappeared and after the Council for Mutual Economic Assistance (CMEA, the Soviet-bloc economic community) was dismantled. (For Slovenia and Croatia, the loss of the unified Yugoslav market created the greatest pressure to seek new sources and outlets for goods and raw materials.) Romania suffered the most from the disappearance of the CMEA. Within a matter of months, Romania was deprived of half its foreign markets; moreover, the mechanisms of a centrally planned economy disintegrated before new institutions and laws could be created to take their place. The result was that by 1992, Romanian industry was operating at half its actual capacity. Indeed, aside from UN-embargoed Serbia and war-torn Bosnia, Romania was the only country in the region to experience a faster decline in GDP in 1992 than in 1991. Only in the latter half of 1994, thanks to a new economic strategy and assistance from the IMF and the World Bank, did Romania begin to pull itself out of its nosedive when it recorded its first growth in GDP since 1988, albeit at the cost of seeing public foreign debt rise to \$4.4 billion.

Privatization in Romania (and in Slovenia, Slovakia, and Bulgaria) was delayed by wrangling among politicians, and as of November 1994, only 700 of Romania's 6,700 state enterprises had been transferred to private hands. After several postponements, the government announced that shares for 60 percent of the stock in 3,905 state firms would be distributed by the end of 1994. However, incomplete information resulted in a further delay, and the deadline for completion of this phase of privatization has been extended to March 31, 1996.

Of the remaining countries in the region, Albania has moved the fastest in selling off state enterprises and had achieved 70 percent privatization by May 1995. Croatia, which has privatized about 50 percent of its economy, hopes to have completed the process by the end of this year. In Slovakia the fortunes of privatization and economic recovery seem tied to the political fortunes of Prime Minister Vladimir Meciar; when Meciar is in office (his third nonconsecutive term as prime minister began in October 1994), economic recovery suffers. Meanwhile, in Serbia, the ruling Socialist Party has scut-

tled plans for privatization and now talks in terms of "property transformation"—the nature of which is considered "top secret."

## IMPLEMENTING DEMOCRACY

The transition in Eastern Europe from one-party socialism to some form of pluralism has required the wholesale redesign of laws and institutions, including in most cases the drafting of entirely new constitutions. Ministries have been combined or eliminated as state regulation has been trimmed. In addition, every country in the region has had to depoliticize the police and army and assure civilian control of the secret services. Not all have been equally successful. In Poland and Romania there were charges during 1994 and 1995 that each respective president was attempting to assert his domination over the military beyond what was permitted by law. There have also been fears that the secret services have operated outside the control of appropriate supervisory bodies. As one Polish parliamentarian noted last year, "The secret services do not want to be controlled; they want the [parliament's supervisory] committee to confine its activities to budgetary issues and not to have access to any information."

In framing new laws and institutions, the region's countries have received assistance from the Central and East European Law Initiative program of the American Bar Association. CEELI representatives have conducted legal education classes in several countries; they have also consulted with local national bar associations, reviewed draft laws regulating crime and commerce, and assisted with the establishment or expansion of law libraries. CEELI also provided assistance for judicial reform in Albania, Bulgaria, Croatia, and Macedonia, while in Bulgaria CEELI feedback was important in drafting amendments to the labor code. CEELI representatives even conducted workshops for Bosnian justices of the Constitutional Court of Bosnia and Herzegovina in Sarajevo last year.

Western governments have also rendered assistance, such as a journalist training program in Budapest, funded by the United States Information Agency, a USIA fund to stimulate the private sector in Albania, and the BBC school of journalism in Bucharest. However, Western assistance has not been able to ease the tensions caused by rivalry between the legislative and executive branches. This rivalry has been the most serious in Poland (under President Lech Walesa), in Bulgaria, and in Slovakia (whenever Prime Minister Meciar has been



## Eastern European Economic Indicators

1994-1995 (in percent)

	GDP (1994)	GDP (1995)	UNEMPLOYMENT (1995)	INFLATION (1995)	INDUSTRIAL GROWTH (1995)
POLAND	5.0	6.5	14.8	28.0	10.5
CZECH	2.6	4.0	3.5	10.0	9.0
SLOVAK	4.8	6.5	13.2	6.8	13.0
HUNGARY	2.5	1.0	10.0	28.0	6.0
SLOVENIA	5.5	5.0	14.0	14.0	3.9
CROATIA	3.5	5.0	17.1	2.0	0.9
MACEDONIA	-7.0	0.0	30.1	6.0	-18.6***
SERBIA*	10.0	12.5	27.0	120.0	20.3***
ROMANIA	3.4	2.8	10.9	21.0	10.2
BULGARIA	1.4	3.0	10.8	33.0	4.3**
ALBANIA	8.0	5.0	25.0	10.0	6.7

\*Official Serb report    \*\*First two months of 1995 only    \*\*\*First three months of 1995 only

in office); Hungary, Romania, and—albeit refracted through the prism of opposition politics within the parliament—Croatia have not been immune to the same tensions.

The creation of a free press—an important precondition for stable pluralism—has been tough going. While the Czech Republic, Slovenia and even Poland can boast of success in this sphere, the other states in the region still have some distance to go if they wish to claim a free press. In most countries the national television station is controlled by the government. This means, in practice, that the government appoints the station managers, news directors, and editors and can wield the power of the purse to obtain the cancelation of programs deemed “inconvenient.” In Poland the major media controversy has not been over state regulation or supervision, but rather parliament’s passage of a law requiring all public media to avoid any offense to “Christian” (that is, Catholic) values. Violations of this law, such as a discussion of the negative effects of a ban on abortion, can be punished.

In issues concerning freedom of the press, there is often a fuzzy line between control and influence. Slovakia and Serbia stand out for their lack of press freedoms. While Serbia can claim an independent weekly newsmagazine, *Vreme*, of superior quality,

the publication is beyond the pocketbook of most Serbs and for them, it is the Socialist Party’s control of Radio-Television Belgrade that makes the decisive difference. As for Slovakia, Meciar’s infringements on the freedom of the press and autonomy of programming have provoked public protests in the capital city of Bratislava—protests that, predictably, are not reported on state television.

On balance, the Czech Republic, Slovenia, and Hungary have made the most progress in the direction of erecting stable pluralist systems. Macedonia, Bulgaria, and Albania are close behind. Poland, which but for the Catholic Church might have been at the forefront of democratization, moved steadily in the direction of theocracy during the five-year presidency of Lech Walesa, and must therefore be placed in a unique and rather problematic category. Democratization has been slower in Romania and has been roadblocked in Croatia. In Serbia and Slovakia, one cannot speak of democratization at all.

### NATIONALISM: DEMOCRACY’S GLUE AND SOLVENT

As the scholar Ghia Nodia has argued, “the democratic enterprise, supposedly the epitome of rationality, rests unavoidably on a nonrational



foundation.”<sup>2</sup> That foundation is the assumption that a collectivity of people defining itself as a community (or nation) has the right to set rules for everyone living on the territory claimed by that collectivity—even if those rules harm the individual or collective interests of some of those concerned. Nationalism acts as the ideological and mythological justification for this claim, but in turn sets into motion forces that may be dramatically at variance with any concept of democracy. Thus, while it is wedded to democracy, nationalism also poses the most serious threat to democracy, at least in democracy’s early stages.

At least nine zones in Central and Eastern Europe are afflicted by ethnic hatred and intolerance. The most serious areas are Bosnia and the Serbian province of Kosovo, where local Albanians, constituting more than 80 percent of the population, have been systematically subjected to apartheid, harassment, beatings, and dismissals from work.

The other zones with the greatest potential for hostilities are in southern Slovakia and Romanian Transylvania. In both cases nationalist regimes have discriminated against ethnic Hungarians, depriving them of the right to use their native language for official business, reducing the use of Hungarian as a language of instruction in local schools, and—in the Slovak case—removing Hungarian-language street signs from villages populated exclusively by Hungarians and replacing them with Slovak-language signs. Slovak authorities have even passed a law requiring a Hungarian woman marrying a Hungarian man to add the suffix “-ova” to her name, as is the custom among Slovaks.

None of these hatreds is of “ancient” vintage, and none arose solely on the basis of indigenous forces. Indeed, all are the products or by-products of Western-supported territorial annexations or Western-sponsored treaties. The problems in Macedonia and Bulgaria, for example, can be traced to the ill-conceived Treaty of Berlin (1878), which overrode the more far-sighted Treaty of San Stefano (drafted six

months earlier) that would have united all Bulgarians into a single state. The problems relating to Albanians in Kosovo and southern Albania date to the Treaty of London (1913), through which Britain, France, and Russia took land claimed by Albania (and inhabited by an Albanian-majority population) away from newly independent Albania and gave it to Serbia. The previously low-key tensions between Muslims, Serbs, and Croats in Bosnia escalated dramatically after 1918 when Belgrade, with the approval of Britain and France, annexed it and imposed a centralized regime.

The continued injustices perpetrated against ethnic Hungarians in southern Slovakia, Vojvodina, and Transylvania date from the Treaty of Trianon (1920), when Britain and France sacrificed the preferences of the local populations to their own insatiable hunger for vengeance after World War I. And

the somewhat less voluble frictions between ethnic Germans and Poles in the southwestern corner of Poland date from 1945, when the Western allies decided to hand over to Polish control land populated almost entirely by Germans. Far from being an “ancient” problem, the ethnic hatreds that plague Eastern Europe are a relatively recent “gift” from the Great Powers.

A second problem specifically associated with the democratic project has been the deepening of inequality. Some may agree with John Mueller’s neoconservative definition of democracy as “a

form of government in which the individual is left free to become politically unequal,” but for ethnic Albanians in Kosovo who are jailed and beaten because they are Albanians, or for ethnic Hungarians in southern Slovakia who are compelled to exchange their wedding vows in Slovak, using an interpreter if necessary, inequality does not seem to correspond to anything one might call democratic.<sup>3</sup>

Inequality manifests itself in other spheres as well. Where the communists made it a point to promote women to positions of responsibility, Eastern Europe’s “democrats” have self-righteously pushed women out of such positions, often demanding a “return” to so-called traditional values. The result is that the representation of women in the parliaments and governments of Eastern Europe has fallen since 1989.

Class inequality has also widened and deepened. Today, almost half of all Slovaks live below the min-

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<sup>2</sup>Ghia Nodia, “Nationalism and Democracy,” in Larry Diamond and Marc F. Plattner, eds., *Nationalism, Ethnic Conflict, and Democracy* (Baltimore, Md.: Johns Hopkins University Press, 1994), p. 8.

<sup>3</sup>John Mueller, “Minorities and the Democratic Image,” in *East European Politics and Societies*, vol. 9, no. 3 (Fall 1995), p. 515.



imum subsistence level, while 60 percent of Romanians and a nearly equal proportion of Serbs live below the poverty line.

Discontent with inequality as well as with falling living standards has been expressed through workers' demonstrations in Romania between 1994 and 1995 for example, and in the electoral victories of reformed communist parties in Hungary (1993), Bulgaria (1994), and Poland (1993 and 1995), as well as the participation of reformed communists in parliamentary coalitions in Slovenia and Macedonia.

Two other problems have arisen with the post-communist transition. The first, most clearly displayed in Poland, is the theocratic impulse. The Roman Catholic Church has imposed its views on abortion on the entire country, introduced supposedly voluntary (but *de facto* quasi-mandatory) Catholic religious instruction in state schools, has secured a legal requirement that broadcast media respect Catholic values, and attempted to incorporate into the preamble of the Polish constitution a clause describing Poland as a Catholic nation. That the theocratic impulse is simultaneously disrespectful to non-Catholics and hostile to democratic principles is obvious.

The final problem that has accompanied the postcommunist transition in Eastern Europe has been the proliferation of crime of all kinds, especially organized crime. Since 1989, crime has doubled in Poland, Hungary, and Slovakia, tripled in the Czech Republic, and skyrocketed in Serbia but is reportedly nowhere as serious today as in Bulgaria. Some 74 percent of Poles and 87 percent of Bulgarians do not feel safe on the streets of their own towns. Violent crimes, extortion, and the smuggling of arms, fuel, illegal drugs, and uranium lead the way in the current crime wave. In Macedonia, Bulgaria, and Serbia, the UN embargo against Serbia closed off legal channels for trade and provided a tremendous impetus for organized crime to step into the breach.

In several countries in the region there have been allegations that organized crime has infiltrated and subverted some parts of government. "What is the most dangerous thing about organized crime is not that it makes a lot of money, but that it has the tendency toward power," according to Vladimir Shuman, head of the Czech Republic's parliamentary committee for security. In its own perverse manner, crime is, ironically, the quintessential expression of the principles of free enterprise and *laissez-faire*, the twin pillars of a free market economy.

## GETTING THROUGH NATO'S DOOR

All the new elites in Eastern Europe, including those in Serbia, have expressed a strong interest in joining NATO. With the establishment of a United States-NATO air base at Gjader, 150 kilometers north of Tirana, Albania may be the front-runner in the race to be admitted to NATO. Albanian President Sali Berisha has adopted a pro-American posture and enjoys the advantage of offering a key strategic location in the vicinity of unstable Bosnia. Indeed, the United States and Albania conducted 9 joint military exercises last year, and plan to conduct 12 such exercises in 1996. The Czech Republic and Slovenia also have good prospects for early admission to NATO; these two countries have come the furthest in establishing democratic systems and in restoring economic vitality. Hungary, which has endeavored to ingratiate itself with NATO by providing facilities and logistical support for United States peacekeeping troops on their way to Bosnia, has not been given any guarantees about admission.

Poland, which has been impatient to obtain admission to the alliance, is arguably the most pivotal country in Eastern Europe; however, its unsettled political situation, including the continuing struggle over theocracy, may delay entrance into NATO. As for Slovakia, Romania, Bulgaria, Croatia, Serbia, Macedonia, and—if one can speak of it as a state—Bosnia, only Macedonia appears well positioned for NATO membership at this time (although this would require Greek assent).

Meanwhile, Russia has been actively wooing its former satellites, concentrating its efforts on Slovakia and Bulgaria and, to a lesser extent, Romania and Hungary. In February 1995, as a token of Moscow's interest, Russian Prime Minister Viktor Chernomyrdin paid an official visit to Slovakia, signing 12 important economic and other agreements with Prime Minister Meciar. Chernomyrdin signed 16 agreements for economic cooperation with Bulgaria last May, including one to establish a joint-stock natural gas company. In addition Russia has also signed significant military and economic agreements with the rump Yugoslavia.

But Russia's military agreement with Greece last November may well have been its biggest coup. Russian technicians will train Greek troops in the maintenance of the military equipment left behind by Russian troops in eastern Germany that has since been transferred to Greece. The two sides will also exchange military visits, and the Russians agreed to sell Athens military spare parts. The agreement is reminiscent of those the West signed

with Romania during Nicolae Ceausescu's rule, which earned Romania a reputation as the West's "Trojan horse" within the Warsaw Pact. It is a possibility that in time, Greece could become Moscow's "Trojan horse" within NATO.

## HISTORY ACCELERATED

The political configuration of Eastern Europe in the 1990s appears to replicate patterns of the 1920s. Now, as then, the states of Eastern Europe are newly freed from foreign rule and are struggling to create new systems and new bodies of law. Now, as then, the political elites speak of building democracies, look to the West for assistance, and wrestle with problems of land redistribution, ethnic animosities, and legitimation. Now, as then, extreme-right parties have emerged, preaching racism and intolerance as solutions to society's problems. Now, as then, the Catholic Church is attempting to build its kingdom on earth. And now, as then, political transition has

been characterized by the "acceleration of history," with vast changes compressed in a short time span engulfing the entire region.<sup>4</sup>

Some might be inclined to believe that the changes in Eastern Europe are in harmony with Marx's dictum that historical events occur twice: the first time as tragedy, the second time as farce. A number of considerations should lead us to expect a different pattern in the 1990s. Among these are: the greater sophistication and care with which Eastern Europeans have been developing their legal codes and institutional infrastructures; the greater influence of the media today; the worldwide decline of educational standards, the role of multinational corporations in the present epoch; the epidemic of organized crime and drug abuse in the region; and the likelihood that the Czech Republic, Slovenia, and perhaps also Hungary and Croatia will soon obtain full membership (or, in Croatia's case) associate membership in the European Union and thereby become more integrated into Western Europe. Some of these factors bode well for the future, others bode ill. But all work in the direction of a very different future for Eastern Europe. ■

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<sup>4</sup>For an expansion and discussion of these ideas, see Sabrina Petra Ramet, "Back to the Future in Eastern Europe: A Comparison of Post-1989 with Post-1918 Tendencies," in *Acta Slavica Iaponica*, vol. 13 (1995).



"Critics contend that the [Bosnian peace] accord legitimizes ethnic 'apartheid,' and severs the country's natural economic links. Defenders of the agreement suggest that formal partition would be worse, and that, finally, there is a chance for peace" and an end to the fighting that has killed more than 200,000 Bosnians.

## Bosnia and Herzegovina: Fragile Peace in a Segmented State

LENARD J. COHEN

**A**t the outset of 1995, few would have imagined that by the end of the year the warring sides in Bosnia and Herzegovina, which had been locked in bitter conflict for nearly three years, would agree to a broad-ranging peace settlement. Even more difficult to contemplate was the idea that thousands of foreign ground troops, including a large American contingent, would be operating a massive peace enforcement enterprise in Bosnia under the direction of NATO. What chain of events made such an unlikely scenario a reality?

### PRELUDE TO THE ENDGAME

The end of 1994 found the international community at what appeared to be a dead end in its effort to bring peace to Bosnia. The toll of those killed, injured, and brutalized was staggering, and roughly half of Bosnia's prewar population of more than 4.3 million was displaced or had fled the country. A number of European-led efforts to achieve peace had failed, in part owing to Washington's dissent from its allies' view of Bosnian affairs and American reluctance to become involved in the Balkans.

The latest in a series of peace plans—the so-called Contact Group plan designed by the United States, Russia, Britain, France, and Germany—remained on the table and had been accepted by two sides of the Bosnian triangle: the predominantly

Muslim Bosnian government in Sarajevo and the Bosnian Croats. However, once again, the obstreperous Bosnian Serbs, who controlled roughly 70 percent of Bosnia and were organized into the Republika Srpska (Serb Republic) parastate, refused to go along with the plan.

The United States and its European allies had taken various steps to isolate and put pressure on the Bosnian Serbs, but to no avail. For example, following intense fighting between the forces of the previously allied Muslims and Croats, American diplomats had engineered a new alliance between these two parties, including a framework for a federal state. More tangibly, Washington turned a blind eye to the importation of arms by the Bosnian Muslims and Croats, and also permitted retired United States military officers to train Croatian government forces (though publicly the Clinton administration opposed ending the UN arms embargo on Bosnia out of deference to American allies).

The United States and its allies had also successfully persuaded Serbian President Slobodan Milosevic—who governed the rump or "Third Yugoslavia" (Serbia-Montenegro)—to terminate his sponsorship of, and material support for, the Republika Srpska and its military forces. Milosevic's earlier role in mobilizing and supporting Serbian nationalism in Bosnia and Croatia had been a major factor in the disintegration of Yugoslavia. It had also accounted for the imposition of debilitating international economic sanctions against Serbia and Montenegro in 1992. But by mid-1994, Milosevic had become convinced that his future success in maintaining power depended on extricating his

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reduced Yugoslav state from sanctions and severing his links with Serb-controlled Bosnia and Croatia. Milosevic's decision to press the Bosnian Serbs for territorial concessions along the lines of the Contact Group plan was also prompted by the Naples Summit of July 1994, when members of the G-7 countries and Russia appeared to be closing ranks on policy toward the war in Bosnia.

In late fall 1994, pressures directed against the Bosnian Serbs began to have a noticeable impact on the balance of power in Bosnia, but the Bosnian Serb leadership defiantly refused to make peace under the terms of the Contact Group plan. Washington's ability to force Serb compliance with the plan was limited because of its promise not to become directly involved in the Bosnian war through the intervention of ground troops. But the Clinton administration did acknowledge that it would send troops to Bosnia if and when a peace plan was accepted by the belligerents, and it would also provide assistance if United Nations Protection Forces (UNPROFOR) were forced to withdraw from the Balkans. As long as the war continued, however, the Clinton administration insisted that American military activity would be limited to the use of air power. Washington favored a more robust use of air power, but allies such as Britain, France, and Canada, who had troops on the ground in Bosnia, were opposed. Meanwhile, efforts by the UN to deal with the Bosnian war were restricted by the terms of its limited peacekeeping mandate.

Near the end of 1994, faced with the prospect of ongoing and uncontrolled warfare in Bosnia, Washington decided (in violation of UN Security Council resolutions) to open a dialogue with the Bosnian Serbs. The change in American policy seemed to offer a window of opportunity for peace in Bosnia, especially after former President Jimmy Carter made a pre-Christmas trip to the region at the invitation of the president of Republika Srpska, Radovan Karadzic. Carter, whose mission benefited from the winter lull in Bosnian fighting, was able to arrange a four-month cease-fire.

Efforts by United States diplomats to follow up on the Carter initiative and secure Bosnian Serb acceptance of the Contact Group plan proved fruitless. The main stumbling block was the territorial division of Bosnia. Washington was unwilling to make major concessions in the peace plan, which called for the Serbs to reduce their zone of control from roughly 70 percent to 49 percent of Bosnia, and for the Croat-Muslim federation to enlarge its area of control from approximately 30 percent to 51

percent of the country. For their part, Bosnian Serb leaders—emboldened by having convinced Carter to see their point of view and sensing the impotence of the international community's peace-seeking efforts—took advantage of their new dialogue with the United States and demanded extensive revisions to the peace plan. Exasperated, the United States ended negotiations in February with the Bosnian Serbs and instead decided to intensify pressure on them. Assistant Secretary of State Richard Holbrooke, who had met with the Bosnian Serb president at his headquarters, bluntly declared "that there was no point in shuttling up the hill from Sarajevo to Pale [the Serb capital] to listen to the kind of crap which was dished out by Karadzic."

### THE ROAD TO DAYTON

During the next six months, several important developments converged to weaken the position of the Bosnian Serb leaders. In hindsight, it appears that the Clinton administration succeeded in its policy of pressure against the Bosnian Serbs. Considerable credit in the execution of the American plan must go to Richard Holbrooke, the aggressive and determined diplomat entrusted by President Clinton to induce a Bosnian peace settlement.

Holbrooke's outrage with Bosnian Serb leader Karadzic's tactics was more than just a question of explosively bad personal chemistry between the two men. It also reflected the Clinton team's tremendous frustration with the seemingly intractable Bosnian crisis—a foreign policy conundrum that had bedeviled it since coming to office in 1992. As the 1996 presidential election approached, and as Republican Party attacks on the president's foreign policy mounted, the administration's desire to resolve the Bosnian situation intensified.

Clinton was not the only Western political leader to become more focused on Bosnian affairs. The new activist French president, Jacques Chirac, who had been elected in May 1995, also supported a more robust approach in dealing with the Bosnian crisis. When Bosnian Serbs took some 350 UNPROFOR peacekeepers hostage at the end of May, Chirac became even more resolute about taking strong action against the Serbian side. The hostage incident was a response by Bosnian Serbs to NATO air strikes in retaliation for the continuing Serb bombardment of Sarajevo. The crisis ended only after Serbian President Milosevic dispatched one of his top security officials to Bosnian Serb headquarters, where he allegedly threatened President Karadzic with severe repercussions if the matter was not peacefully



resolved. The hostages were quickly released through Belgrade, providing a minor public relations victory for Milosevic.

By the spring of 1995, as the Carter-inspired cease-fire began to seriously unravel after the Bosnian army launched an offensive against the Serbs at the end of March it seemed that pressure brought to bear on the Bosnian Serbs by the international community, especially Washington, was beginning to pay off. Most apparent in this regard was the battlefield victory of Croatian government forces against Krajina Serb forces in western Slavonia during May. Zagreb's forces were able to regain a relatively small chunk of their former territory in Slavonia, but the success boosted Croatian confidence, and was the first practical result of the closer informal and formal ties between Croatia and the United States. Croatia's victory in May also unnerved Serbian leaders in Croatia and Bosnia, already hard-pressed in the face of Milosevic's blockade and their general isolation. As Croatia's military strength became apparent and cooperation between Croat and Muslim forces in Bosnia grew, conflicts between Bosnian Serb political and military leaders intensified.

While a number of key events and dates might be identified as milestones in the Bosnian story during 1994 and 1995, the circumstances connected with the seizure by the Bosnian Serbs of the predominantly Muslim town of Srebrenica on July 11, 1995—previously designated a “safe area” by the UN—undoubtedly qualifies as a major turning point. The seizure itself was condemned by the international community as a sign of the UN's failure to keep the peace and protect civilians. But reports of the mass killing of several thousand Muslim civilians seized at Srebrenica by Serb forces, allegedly at the direction of General Ratko Mladic, turned the incident into a “defining moment” (the safe area of Zepa fell to the Serbs two weeks later). Reports of events at Srebrenica galvanized the resolve of the international community to intensify the pressure on the Bosnian Serbs and bring the war to an end. The Srebrenica outrage also marked a significant blow to the UN's credibility, and raised the possibility of an emergency evacuation of UNPROFOR troops.

Members of the Clinton administration were quick to sense the opportunities created by Srebrenica and the overall isolation of the Bosnian Serbs.

At a London conference in July, the United States and its NATO partners agreed to new rules of engagement for NATO forces, including the launching of air strikes if any of the remaining safe areas were attacked, and the establishment of a Western rapid reaction force. Secretary Holbrooke would later claim that the new NATO rules of engagement had been “forced down the throats of some of our allies after the rape of Srebrenica.” Holbrooke was untroubled by the fact that some of the allies had troops on the ground and had already suffered many casualties, not to mention the indignities of the hostage incident. The American assistant secretary of state and the Clinton administration were determined to press forward with an entirely new approach to Bosnia, come what may.

This new approach had been worked out by Clinton's principal national security advisers in a series of meetings that took place between early

June and early August 1995. A number of his more hawkish advisers on the question of Bosnia cautioned the president that he was in danger of becoming a “soldier of fortune” to Balkan developments. For example, in a memorandum to Clinton, United States Ambassador to the UN Madeleine Albright noted that a failure to end the war would “rob” the president of any chance to get credit for his foreign policy successes. She also advised the president that since American troops would have to go

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to Bosnia sooner or later, why not send them on Washington's timetable. After the fall of Srebrenica, the Clinton administration's major policy shift on Bosnia had accelerated. A region that had once been considered a hellish “quagmire” of intractable problems had become amenable, almost overnight, to American-led military and diplomatic activism. The situation was still not quite opportune for reaching peace in Bosnia, but unfolding events, combined with Holbrooke's unique brand of “bulldozer diplomacy,” would soon prevail.

Early in August the seeds of success sown by Washington finally bore fruit. In a carefully planned lightning attack (assisted by American consultants), Croatian forces retook almost all the Krajina region in a matter of days. Eastern Slavonia remained the only part of Croatia still under Serb control. Zagreb's military strike led to a massive exodus of Serbs from Croatia, and was followed by widespread human rights violations against the

remaining Serb population. Publicly, Washington had cautioned the Croats about using military action in the Krajina, but it was apparent that behind the scenes Zagreb had received unofficial American support and encouragement. The capitulation of Serb forces in the Krajina, and the ability of seasoned Croatian troops to link up with Muslim forces in Bosnia, left the already over-extended and strained military forces of the Republika Srpska in a very precarious position. Some of the Serb forces from the Krajina entered Bosnia, but the tide had definitely turned against the Serb side. Indeed, a subsequent Muslim-Croat offensive in northwestern Bosnia captured roughly 1,500 square miles of territory and forced tens of thousands more Serbs to flee. For the Muslims and Croats such developments seemed a just retribution for Serbian onslaughts earlier in the war.

Slobodan Milosevic passively watched the first stage in the Croatian reintegration of the Krajina in May, and then the second stage (after making one of his own military commanders the head of the Serb Krajina army) in August. The

Serbian president adopted the same posture later as the Bosnian Serbs retreated in the face of a Muslim-Croat offensive. Milosevic's blockade of the Bosnian Serbs continued. In 1991 and 1992 he had sponsored and manipulated the nationalistic drive of the Serbian diasporic communities in Bosnia and Croatia. Now, bent on lifting the sanctions for his own political purposes, Milosevic cold-bloodedly sacrificed his aggressive and tainted clients.

On August 28, a shell exploded in Sarajevo's main market, killing 38 people and wounding 85. It was

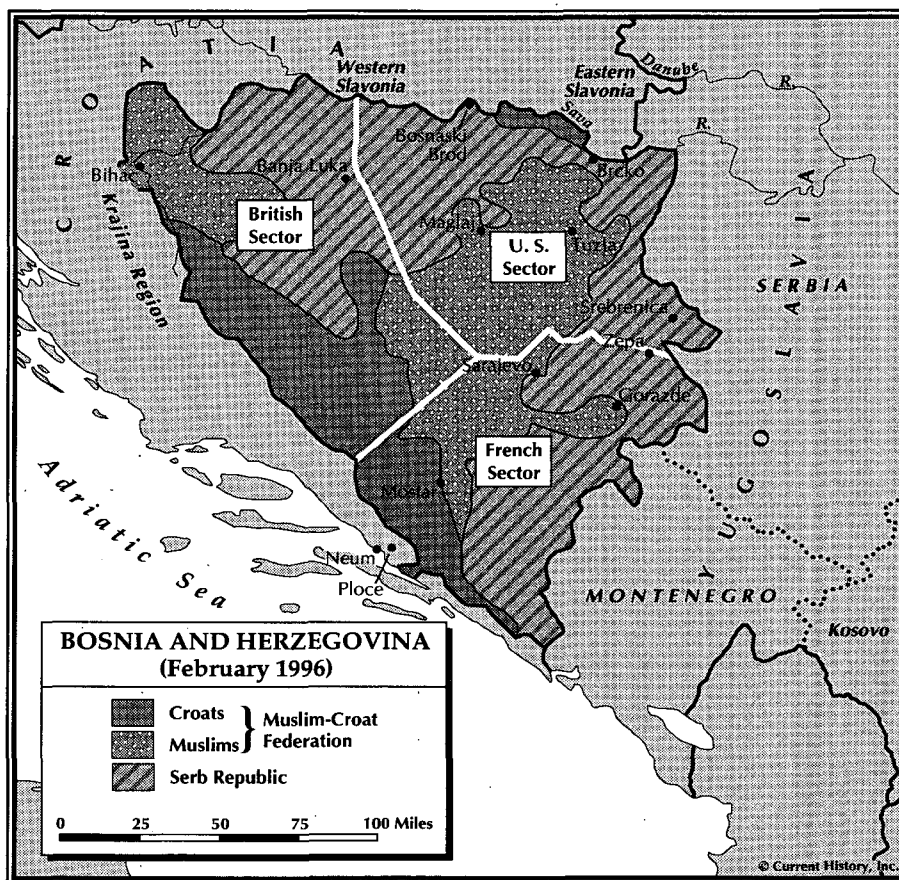
the worst attack on the city in more than a year, and occurred only yards from where a similar blast had killed 68 people in February 1994. The question of who fired the shell was disputed by some observers, but in view of the extensive shelling of Sarajevo by Serb forces since 1994, it was not difficult to link it to the Serbs. Functioning under its new rules of engagement, NATO launched a carefully targeted bombing campaign against Bosnian Serb installations. The damaging attack, which included destruction of the Serb air defense and communications network, was designed to force compliance with the UN's demand that the Serbs pull back their artillery from Sarajevo. NATO's broader purpose, however, was to force the Serbs to begin serious negotiations on a

peace settlement along the lines specified by the international community.

Though already reeling from the Croat-Muslim military successes earlier in the month, the Bosnian Serbs were initially defiant. Holbrooke, who had been tirelessly shuttling throughout the region in order to jump-start the peace talks, used the bombing campaign to maxi-

mum diplomatic effect. His resolve to press the Serbs and end the war had been fortified by the overall change in the strategic equilibrium in Bosnia and also, on a more personal level, by the August 19 accidental deaths of three American diplomats accompanying him on a shuttle visit to Sarajevo.

On September 3, during a pause in NATO bombing designed to test Bosnian Serb assurances that the long siege of Sarajevo would finally be lifted, Holbrooke commented that the bombing had been carried out because "an outrageous, and unaccept-





able act had occurred.” He added that NATO action should have taken place back in 1991 or 1992. But as one of the chief architects of a more coercive approach, the imperious envoy could not resist pointing out that “there is an ancient theoretical debate about the interaction of the use of force and [diplomatic] negotiations. . . [The bombing] was done not entirely coincidentally just as the negotiations were reaching an intense phase. The response by the Serbs speaks for itself.”

But Holbrooke would need to tighten the vise on the Serbs a bit more. On September 5, after Bosnian Serb General Mladic had failed to meet UN terms in pulling back his weapons from Sarajevo, NATO bombing, including the use of Tomahawk cruise missiles, resumed. While the bombing campaign continued in Bosnia, the foreign ministers of Yugoslavia, Croatia, and Bosnia met with Holbrooke in Geneva. All sides agreed to attend United States-sponsored peace talks on Bosnia. Moreover, the Bosnian government agreed for the first time that its state would include two entities, a Muslim-Croat unit and the Republika Srpska. The agreement also provided that both entities would be allowed “to establish parallel special relationships with neighboring countries, consistent with the sovereignty and territorial integrity of Bosnia.”

Although the agreement clearly gave the Bosnian Serbs a semiautonomous status and a hope of some federative tie with Belgrade, it fell short of the international recognition they sought. Milosevic was only able to obtain reluctant Bosnian Serb acquiescence to the Geneva agreement because of a recent bargain he had struck on August 29 with the hard-pressed Republika Srpska leaders.

Just before the bombing of the Bosnian Serbs by NATO, Milosevic had received written authorization from Karadzic, Mladic, and other Bosnian Serb leaders to head a joint Serbian negotiating team on Bosnian matters. The letter, which had also been presented to Holbrooke in Belgrade, had been given contractual sanctity by Serbian Orthodox Patriarch Pavle. In retrospect it seems clear that the NATO bombing of the Bosnian Serbs had proceeded despite the fact that Washington and Holbrooke had known since August 29 that Mladic and Karadzic were ready to hand over control of the peace negotiations to Milosevic.

NATO bombing, Holbrooke’s aggressive diplomacy, and Milosevic’s gifts at Balkan persuasion now converged to forge a breakthrough. It came on September 13, at a bizarre meeting near Belgrade between Milosevic and Holbrooke. Believing, correctly, that

Holbrooke could influence the NATO bombing campaign against the Bosnian Serbs, Milosevic pressed the American negotiator to cut a deal. In a surprise move during the meeting, Milosevic produced Bosnian Serb president Karadzic and General Mladic, who had been waiting at a nearby villa. After 11 hours of difficult discussions between the American side and the Serbs—in which Holbrooke cautiously refused to directly participate because of Karadzic’s and Mladic’s status as indicted war criminals—a deal was struck. In essence, the Bosnian Serbs agreed to pull back from Sarajevo, and the Americans let it be understood that NATO would stop its bombing.

Having succeeded in Belgrade, Holbrooke went to Zagreb and pressured Croatia’s Franjo Tudjman and Bosnia’s President Alija Izetbegovic to halt their joint offensive in northern Bosnia. General exhaustion and a failure by all sides to achieve their respective goals also added momentum for ending the war. On October 5, President Bill Clinton was able to announce that a cease-fire had been agreed to by all sides in Bosnia. Hostilities halted on October 12.

## DECISION AT DAYTON

On November 1, a peace conference on Bosnia was convened at Wright-Patterson air force base in Dayton, Ohio. Present, along with delegations from the Contact Group countries, the EU and the UN, were the presidents of Serbia, Croatia, and Bosnia. The Serbian delegation included representatives of the Republika Srpska (but not Karadzic and Mladic), while the Bosnian Croats worked alongside representatives from Croatia and the Bosnian government. The conference, which lasted 21 days, was a tour de force of American diplomacy. The major Balkan players had already accepted the broad terms of a peace agreement before arriving at Dayton, but many details remained contentious.

The negotiations at Dayton were marked by three distinct phases. The first, eight-day phase, focused on strengthening ties between the Bosnian Croats and Muslims in order to present the Serbs with a unified front. Building on considerable groundwork, the initial stage went smoothly. An agreement was reached for a remodeled Muslim-Croat federation that included the reunification of the divided city of Mostar. Three days were then devoted to resolving the Croat-Serb dispute over eastern Slavonia. This resulted in an agreement between Milosevic and Tudjman (which was not announced until after the conclusion of the Dayton negotiations) that Belgian and Russian troops would patrol eastern Slavonia for a one-year “tran-



## CORE ELEMENTS OF THE PEACE AGREEMENT ON BOSNIA AND HERZEGOVINA

### **Military-Security Issues**

- A NATO-led Implementation Force (IFOR) will establish demilitarized zones of separation between the adversaries.
- The IFOR commander can use force to implement the agreement.

### **Territorial Provisions**

- A unified state, Bosnia and Herzegovina, will be established. It will consist of two entities: the Federation of Bosnia and Herzegovina (a Muslim-Croat unit) and the Republika Srpska.
- The capital, Sarajevo, is a united city within the federation.
- The Muslim town of Gorazde will be linked to Sarajevo by a land corridor.
- Control of the town of Brcko, which is held by the Serbs, will be decided by an arbitration panel after one year.

### **Bosnia's Constitutional Structure**

- A central government will have responsibility for foreign policy, foreign trade, monetary policy, citizenship, and immigration.
- A three-person presidency will be established, composed of a Muslim, a Croat, and a Serb. The chair of the presidency will rotate among the three members (with a Muslim serving the first term).
- A bicameral parliament, constitutional court, and central bank will be established.

### **Civilian Transformation**

- Internationally supervised elections will be held in 1996.
- An international police task force under UN auspices will monitor and train police.
- Nonmilitary activities and reconstruction will be coordinated through the European Union and national governments.

### **Human Rights, Refugees, and War Crimes**

- Freedom of movement is guaranteed and refugees may return home (assisted by the UN High Commissioner for Human Rights).
- No one charged with war crimes may participate in political life.
- All sides agree to cooperate with the prosecution of war crimes.

sitional phase" under the direction of a civilian authority. The last period of negotiations dealt with the vexing territorial and political issues that had prevented a peace settlement over the previous three and a half years. This stage also focused on bringing pressure to bear on the Bosnian Muslims—who had been steadily improving their position on the battlefield—to accept peace.

The full agreement, initialed on November 21 and signed in Paris on December 14, is a detailed document that includes 11 annexes and maps. Its major elements consist of arrangements for the establishment of military security and the separa-

tion of the warring sides; the distribution of territory between the Croat-Muslim federation and the Bosnian Serbs; the constitutional structure of Bosnia and Herzegovina; the civilian transformation and policing of the country; and procedures for addressing human rights, refugees, minorities, and war crimes.

The Dayton agreement codified a series of compromises among the adversaries that left each of the parties partially dissatisfied. Serbia's Milosevic appeared to be the most willing to offer concessions. Of course, he was not trading his own territory, but that of the Bosnian Serbs. Concentrated



solely on having the economic sanctions against Serbia-Montenegro lifted, Milosevic served as an invaluable partner to Holbrooke in overcoming stumbling blocks. Thus it was Milosevic who broke the deadlock over a number of problems, such as the question of who would control Sarajevo (the predominantly Serb districts will be placed under the authority of the Muslim-Croat side); the link between Sarajevo and mainly Muslim Gorazde (a road to the town through Serb-held territory will be built); and the dispute, which nearly scuttled the talks, over Serb-held Brcko and the important Serbian corridor linking rump Yugoslavia to the heart of the Republika Srpska in northern Bosnia (the dispute will be decided by an arbitration panel after one year). Such concessions, especially the loss of sections of Sarajevo, infuriated the Bosnian Serbs, who were technically part of Milosevic's delegation, and they initially refused to accept the agreement.

Croatian President Tudjman also proved helpful in reaching compromises at crucial points in the negotiations. Tudjman's flexibility probably can be explained by the fact that he arrived in Dayton still flush from battlefield success in the Krajina (and his expectation of an imminent electoral victory back home). Thus, when it appeared that the talks might fail on the issue of territorial adjustments, Tudjman—after receiving a telephone call from President Clinton—agreed to give up land that Croatian forces had recently seized in northern Bosnia. He also agreed to Serb control of some Croatian population areas along the Sava River, a concession that was strongly protested by Bosnian Croat leaders and Zagreb political activists.

The agreement's emphasis on building up the Muslim-Croat federation in Bosnia represents a setback for Tudjman's long-held aspirations of dividing Bosnia between Croatia and Serbia. Indeed, under the terms of the accord the expanded authority of the Muslim-Croat federation would lead to the dissolution of the Croatian-run Herzeg-Bosna parastate established in 1991. But Tudjman, who was politically dependent on his budding alliance with the United States, was willing to go along with territorial adjustments in Bosnia, and also a delay in the reintegration of eastern Slavonia. The Croatian president's remarks at the signing ceremony on December 14 revealed, however, that his jaundiced feelings about Bosnia's Muslims were unchanged: "Although Bosnia and Herzegovina was positioned in the middle of Yugoslavia, it could not become its mainstay because it was largely afflicted by civilizational differences. Communist ideas that tried to

neutralize the Serbo-Croat national contrasts by declaring a specific Muslim religious population as a specific nationality have produced results that were opposite of the desired effect."

The Bosnian government gained considerably from the American backing it received at Dayton, and also from the willingness of Milosevic and Tudjman to compromise. Bosnia and Herzegovina remained a single country with a relatively strong central governmental structure, and Sarajevo was to be reunited as its capital. The Serbs would lose some of the territory they had gained, a link with Gorazde would be established, and refugees and the displaced would be allowed free movement and the right to return to their towns and villages. However, for many Muslim political leaders it was a hollow political victory. Nothing could undo what their people had suffered during the war, and in the end, the country had been sharply divided into two entities. Moreover, traditional Muslim areas, such as Srebrenica and Zepa, were to remain under Serb control.

The principal victory for the Muslims and the Bosnian government was to have survived a battle with more powerful adversaries. Thus, at the initialing ceremony in Dayton, President Izetbegovic bitterly observed that the agreement was an "unjust peace, but more just than a continuation of war," leaving the strong impression that he had been badgered into accepting the accords. Milosevic, the self-styled peace broker, chose to give the Dayton settlement a different spin: "In a civil war like this one in Bosnia there are no winners and losers," he remarked. On arriving at the Belgrade airport, he added that "a just peace for all the nations living in this region had been reached."

Just or unjust, there was an agreement. Critics contend that the accord legitimizes ethnic "apartheid," and severs the country's natural economic links. Defenders of the agreement suggest that formal partition would be worse, and that, finally, there is a chance for peace. Lord David Owen, the former British foreign secretary who spent a good deal of time trying to reach a Bosnian settlement on behalf of the European Union, has aptly observed that once the idea of maintaining the pre-April 1992 Bosnia was abandoned, one necessarily was left with "shades of partition."

Holbrooke vehemently resents any suggestion that the Dayton agreement amounts to partition. He is equally unwilling to see the agreement as some kind of "imposed peace." After all, he claims, the parties had asked the United States for assistance in



resolving their difficulties, and they had all showed up in Ohio for the peace conference. But, considering his own energetic and remarkable record in combining incentives for positive behavior with calibrated coercion (the bombing, covert arms to the Croats and Muslims, international sanctions against Yugoslavia), Holbrooke's protestation seem somewhat disingenuous. Dayton has created a segmented state. The agreement was a triumph of realpolitik, something the exultant Holbrooke takes pleasure in reminding the Western Europeans and Russians.

### **BEYOND DAYTON: THE PITFALLS OF IMPLEMENTATION**

As 1995 drew to a close there were certainly mixed feelings about what had been achieved at the peace conference. For many observers the accord reached at Dayton appeared to be a patchwork of compromises that would prove unworkable. But after years of carnage and atrocities and a series of failed peace proposals, the agreement represented an enormous step forward. Moreover, the letter and spirit of the plan involved an extensive commitment by the international community to rebuild Bosnia and attempt to transcend its deep divisions. Beyond the provisions for establishing an atmosphere of security through the presence of a 60,000-strong NATO Implementation Force (IFOR), nonmilitary international assistance will take many forms, including aid, investment, supervision of free elections, police training, and human rights enforcement.

But the Bosnian environment remains rife with pitfalls and problems. In the short term the most important task was to get the organizational elements envisaged by the Dayton accord into place (for example, the IFOR operation, international police), and to begin the process of economic reconstruction. Launching that process in winter did not make these tasks any easier. However, over the long term, the process of state-building in Bosnia faces three even more difficult and interrelated challenges: preventing a resumption of fighting among the Bosnian protagonists; developing a viable political system; and resettling the thousands of people who were forced to leave their homes.

#### *Security and Armaments*

The relatively large and powerful multinational force in Bosnia will permit the implementation of the Dayton agreement's military goals, such as establishing demilitarized zones of separation and new

boundaries between the former belligerents. The agreement's "silver bullet clause," which permits the commander of IFOR to use whatever force is deemed appropriate to implement the agreement's provisions, should also ensure stability in Bosnia over the short term. This will probably be adequate to deal with any military challenges to IFOR (for example, sporadic outbreaks of fighting, the threat posed by several thousand foreign mercenaries in Bosnia—who are required to leave Bosnia under the agreement—and rogue paramilitary elements).

The more serious challenge to peace in Bosnia will arise after the departure of IFOR's substantial American military contingent, and then after the eventual withdrawal of other foreign troops. American officials have said that United States troops will only stay in Bosnia for one year, and this position will certainly be reiterated as American foreign policy and security debates intensify during the 1996 presidential campaign. Thus, there is warranted concern that the armies of the Bosnian-Croat federation and the Republika Srpska—forces that remain distinct and intact under the agreement—may resume fighting at some point in the post-1996 period. Lurking behind this threat is the old danger that current or future leaders of Croatia and Serbia may, after a "decent interval," again dream their old dreams about the partition of Bosnia.

The Dayton agreement envisions two major developments to prevent the resumption of fighting. First, the creation of an "arms restraint regime," whereby the Bosnian federation and Serb forces, and neighboring countries, enter into an agreement to downsize their militaries and seek peaceful remedies to disputes. Thus, the provisions of the Dayton accord foresee a build down of armed forces, but do not call for disarmament.<sup>1</sup>

A second and potentially volatile dimension of the Dayton agreement strategy are plans to rapidly build up the forces of the Muslim-Croat federation to create a balance of power. Indeed, the very day the Dayton accord was initialed, the UN Security Council dropped embargo restrictions on the importation of weapons into Bosnia following a 90-day period. In Senate hearings held in early December, Assistant Secretary of State Holbrooke claimed that Bosnian government leaders had been given assurances that they would have the arms necessary "to defend themselves adequately when IFOR leaves." He also suggested that such a buildup of the federation's military strength would be carried out along the lines of the "Croatian Model"; that is, not through the direct provision of arms to the

Bosnian government army and the presence of an American military training mission, but rather through arms supplies by way of third countries, and the arms-length use of retired United States military officers working on a contract basis. No transfer of heavy weapons would occur for six months, Holbrooke informed the Senate, but an assessment of needs was already under way.

Holbrooke and the Clinton administration see the Bosnian government strength as part of a regional counterweight to Serbian military strength and perhaps also, to a lesser extent, as a way to allow the Muslims of Bosnia to avoid falling under Zagreb's hegemony. Military parity may at times be the key to stability, but Washington's plan to sponsor an arms buildup benefiting the Bosnian Muslims, and the potential arms race it may stimulate throughout the region, raises serious questions about the prospects for Balkan peace. Indeed, one is reminded of a phrase used by Secretary of Defense William Perry to describe the position of those advocating that the United States supply the Bosnian government with arms. Perry noted that such a course had been termed "lift and leave," but that a more critical view might refer to it as "lift and pray."

#### *Political Development and Elections*

Fashioning a workable, pluralistic political system for a united Bosnia and Herzegovina is as daunting a challenge as securing a peaceful environment. Annex 4 of the Dayton accord provides a "Constitution of Bosnia Herzegovina" that is dedicated to "peace, justice, tolerance, and reconciliation." Regrettably, during the first part of 1996 only the first of these four goals had been realized, albeit temporarily.

Developing a democratic political and legal culture supportive of the rule of law and minority rights and also conducive to the cooperation of former political enemies from different ethnic groups will naturally require a long period of time. Thus, constitutional provisions giving members of each of Bosnia's three major ethnic groups equal representation in most of the formal structures of the

government, and also the chance to be rotated into top political posts after a specified period of time, are quite positive. But such measures do not ensure that a spirit of cooperation or goodwill will prevail. For example, the Croats and Muslims, two of Bosnia's three principal ethnoreligious groups, have equal representation, but are linked together in one entity, the federation. The Bosnian Serb contingent will find itself in a technical minority position in every major government institution. Genuine anxiety over such potential hegemony was one of the major reasons the Bosnian Serbs refused to participate in an independent Bosnian state in the spring of 1992.

The Dayton-approved constitution encourages "consensus" and includes mechanisms for conflict mediation. A representative of any of the three "constituent peoples" in the three-person presidency (one Croat, one "Bosniac," [that is, Bosnian Muslim] and one Serb) can, however, exercise a veto should that member (supported by at least two-thirds of the legislative delegates from the same ethnic group in assemblies at the entity level) perceive a decision as being "destructive" of some "vital interest." Such a "vital interest" veto provision may also be exercised in the parliament, but would be harder to sustain than in the presidency.

As might be imagined, the operation of such cumbersome constitutional provisions will depend on the people and parties serving in the political system. The elections that are tentatively scheduled to be held in early fall 1996 under the supervision of the Organization for Security and Cooperation in Europe (OSCE) are therefore extremely important. The limited experience Bosnia has had with relatively free multiparty elections (in the 1920s, the end of the 1930s, and 1990) is not very edifying and has generally resulted in the victory of party organizations that are ethnically based. Should this happen again in 1996, the result would tend to perpetuate the situation that existed after the 1990 election, with representatives of the predominantly Muslim Party of Democratic Action and the Croatian Democratic Union (a branch of Tudjman's ruling party in Croatia), cooperating against the Serbian Democratic Party, which has dominated politics in the Republika Srpska.

The Dayton agreement will prevent the current head of the Serbian Democratic Party (Karadzic) and the head of the Bosnian Serb army (Mladic)

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<sup>1</sup>A December 18, 1995, conference in Germany addressed the arms control aspects of the accord, but progress was slowed by continuing disagreement between Yugoslavia and Croatia over territory on the Adriatic coast, a dispute that has also prevented the mutual recognition of these two countries as envisaged by the agreement (Yugoslavia and Bosnia have recognized each other).



from playing a formal role in the election because of their indictment as war criminals, but many hard-line members of the party have a good chance at achieving electoral success. Nationalistic members of the Muslim Party of Democratic Action and the Croatian Democratic Union may also win office. Indeed, the system of regionally based direct elections makes it extremely likely that the dominant ethnically based parties will remain in power. Smaller opposition parties exist, but they are extremely weak and have little support. Most co-signatories of the Dayton accord are hoping that the elections will result in the victory of moderate political activists, but in early 1996 the chances that such hopes will be realized remain remote. Moreover, no matter which personalities and dominant policy orientations emerge after the 1996 election, the real test for Bosnia's constitutional and political stability will only come after IFOR's withdrawal.

#### *Repatriation and Political Stability*

Threats from renewed fighting and nationalist politicians aside, addressing the humanitarian disaster caused by the Bosnian war is perhaps the most difficult and potentially disruptive peacetime challenge. The scale of the humanitarian problem is immense. When the Dayton accord was signed in November 1995, the UN High Commissioner for Refugees (UNHCR) was providing assistance to 2.7 million people inside Bosnia. An estimated 700,000 refugees from Bosnia are also believed to be in neighboring Balkan countries and elsewhere in Europe.

Under the Dayton agreement, the UNHCR is to repatriate refugees and assist displaced people. It is impossible to estimate how many of those individuals may wish to return to their homes, but it will undoubtedly be a large number. The greatest problems will arise when those who were victimized during the war try to return to regions where their victimizers remain associated with the military and political authorities. The Dayton agreement has established special civilian mechanisms to adjudicate difficulties that are expected to arise with respect to repatriation. But dealing with the movement and claims of the displaced and refugees cannot strictly be handled by civilian authorities.

Conflicts over the return of property that has been seized, evictions, questions of compensation,

and other obstacles to repatriation may spawn violence and various police security issues in the federation and the Serb Republic. Indeed, the first indications of such problems became visible in early 1996 and will likely become far more important once the new boundaries of the two entities are secured by IFOR. After IFOR's departure (or even a partial withdrawal of that force), there is a danger that problems associated with returning individuals may become a major source of sociopolitical unrest. An equally volatile problem is the role of refugees and the displaced in electoral politics. Under the provisions of the Dayton agreement, such individuals will have the right to vote in 1996. Although it is possible that a portion of the repatriated population will shun participation in political life, many others may have become radicalized as a result of their wartime ordeals.

#### **REASON FOR SKEPTICISM**

How the issue of repatriation, as well as a number of other difficult problems such as personal security, family reunification, freedom of movement, minority rights, treatment of war crimes, and rebuilding the economy are resolved will have a crucial impact on whether Bosnia can become a pluralistic state. In view of Bosnia's modern history, its recent past, and the behavior of most of its current leaders, there is little reason for optimism. The continued hegemony of illiberal political forces in both Belgrade and Zagreb may also seriously jeopardize Bosnia's democratic prospects. For example, Milosevic may have given up on his original vision of a "Greater Serbia," but he has not abandoned hopes of controlling a reduced Bosnian Serb "entity."

The Dayton agreement is an enormous accomplishment, and the challenges of peace enforcement, reconstruction, and civilian transformation will help to redefine and invigorate important post-cold war institutions such as NATO and OSCE. Though a risky venture, the Bosnia peace mission may also be of immense help to Bill Clinton during the 1996 election campaign. But the prospect for the survival of a unified democratic state in Bosnia and Herzegovina over the long haul is still highly problematic. Indeed, without the presence of IFOR, any hope of achieving a sustainable peace is doubtful. ■

"Macedonia has survived the Yugowars, severe economic deprivation, and internal stress. It is a country of pragmatists and survivors. While its future is by no means certain, Macedonia will persevere. No neighboring country relishes the idea of a Macedonian breakup, since this could lead to another round of Balkan land grabbing, but this time involving countries outside the former Yugoslavia."

## Macedonia: Balkan Miracle or Balkan Disaster?

DUNCAN M. PERRY

Violence in the Balkans is hardly new. Brigandage, lawlessness, revolutions, two world wars, and civil war have afflicted the region in their turns. The nineteenth century witnessed the violent birth of Balkan nationalism, then nation states—first Greece, then Serbia, Romania, Bulgaria, and Albania. But it was only in the mid-twentieth century that a Macedonian nation was officially established, and the creation of a modern Macedonian state waited until the last decade of this century. Today Macedonia is an internationally recognized country; it is, at the same time, a geographical and historical concept.

### FROM THE FRAGMENTS OF EMPIRE

With the accession of Philip II to the throne of Macedon in 357 B.C., he and his even more famous son, Alexander the Great, turned a chaotic region, backward by the standards of the day and on the periphery of the Hellenic world, into a world power. The core of this enterprise lay within what is now northern Greece and the Republic of Macedonia. With the death of Alexander in 323 B.C., the empire, which by then extended from the Indus River to the Adriatic Sea, became fair game for invaders. In the sixth century Slavs settled in Macedonia. In time the region became part of the Bulgarian and Serbian medieval empires, and in the fourteenth century, part of the Ottoman Empire, which retained control of geographic Macedonia

into the twentieth century.

Virtually no two scholars agree on the precise borders of geographic Macedonia. In general outline, it encompasses the lands that lie between the Sar and Osogov Mountains in the north, the Rila Mountains and Mesta (in Macedonian) or Nestos (in Greek) River in the east, the Bistrica (in Macedonian) or Aliakmon (in Greek) River, the Aegean Sea, and the Pindus Mountains in the south, and the Albanian highlands in the west. By the nineteenth century, when Balkan nationalism was blooming elsewhere in the region, geographic Macedonia fell within the Ottoman *vilayets* or provinces of Manastir, Kosova, and Salonika. The people living there were mixed ethnically and included Slavs, Albanians, Turks, Greeks, Roma, and Vlachs.

National consciousness among these peoples had not taken form, and while each recognized social, cultural, and linguistic differences, it was generally religion that was the defining attribute. Nationalists in Bulgaria, Greece, and Serbia all claimed at least some of this territory, arguing that the people living there were predominantly of their own respective ethnos. By the late nineteenth century, each group had established churches and schools in Macedonia as a means of advancing national agendas and collecting "souls." Among the claimants, Bulgaria had the most valid title when measured historically, culturally, and linguistically. However, Greece and Serbia eventually received the largest segments of Ottoman Macedonia while Bulgaria came in a distant third, punishment for the poor judgment its leaders had exercised in the Balkan Wars of 1912-1913. Nevertheless, Bulgarian irredentist yearnings for Macedonia burned bright and Bulgaria occupied

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what was later to become the Republic of Macedonia three times in the twentieth century, forced each time to relinquish the territory after defeat in war.

An abortive uprising in 1903 launched by the Internal Macedonian Revolutionary Organization (VMRO) failed to create an autonomous Macedonia within the Ottoman Empire. Ottoman control ended only with the signing of the Treaty of Bucharest, which concluded the Balkan Wars. What was to become Yugoslav Macedonia was made Southern Serbia. Belgrade suppressed the incipient Macedonian national consciousness as the government sought to Serbianize the population.

At the end of World War II, six republics were created within this second Yugoslavia; the southernmost was Macedonia. With the advent of republican status, Macedonian national consciousness was allowed to develop unimpeded. Today, some two and one-half generations later, the Macedonian nation has firmly taken root. Neighboring Bulgaria and Greece have continued to deny the existence of a Macedonian nationality, while Serbia, as a member of federal Yugoslavia, recognized it 50 years ago.

Postwar Yugoslavia was very much a centralized state in the early years following the war. Marshall Josip Broz Tito aimed to create a state wherein Yugoslavism won out over narrow ethnic identification. The Yugoslav leader sought to build a multiethnic socialist state on the principles of "Brotherhood and Unity." In the 1960s simmering ethnic problems were ignored as Yugoslavia opened itself increasingly to the West; it seemed as though Yugoslavism might succeed. Tito's vision, however, began to crumble even before his death in 1980.

In 1974 a more pluralistic and decentralized administration was enshrined in a new constitution. By now the Yugoslav idea was dying and nationalism was on the rise as each republic and the two autonomous Serbian republic provinces of Vojvodina and Kosovo pursued policies that in effect usurped federal authority. Following Tito's death, decentralization continued. The economy, which had been bullish in the 1950s, began a descent that became precipitous by the 1980s. The last gasp of Yugoslavia occurred under the prime ministership of Ante Markovic, a reform communist who sought to strengthen the weak central government and reinvigorate the state's economy. Applauded outside Yugoslavia, he was highly unpopular at home and was brought down by republican unwillingness to cooperate and reform. The communist party collapsed in 1990. Xenophobic nationalism, piloted in Serbia by President Slobodan Milosevic and in

Croatia by President Franjo Tudjman, led to the onset of the wars of Yugoslav succession in 1991. Fearing it might otherwise be drawn into these wars, Macedonia opted to leave the federation in 1991 and go it alone.

### NEITHER GREATER SERBIA. . .

When the people of Macedonia chose independence in 1991, the issues were clear. Serbia was making ominous pronouncements concerning the acquisition of Macedonia as part of its attempt to resurrect pre-World War II Greater Serbia (which included Macedonia). Serbian nationalists exacerbated Macedonian fears by dubbing the Macedonians an "artificial nation" whose territory Serbia would acquire if Yugoslavia fragmented. Serbian leader Slobodan Milosevic promoted this position, while Macedonian President Kiro Gligorov, along with Bosnian President Ilija Izetbegovic, fought to preserve a Yugoslav federation. Gligorov, elected in January 1991 as Macedonia's first president, favored a sovereign Macedonia that would "participate in the Yugoslav community." But this was not to be. In mid-1991 the Serbian-Slovenian conflict broke out, followed by the Serbian-Croatian War. These events convinced Macedonian leaders that whatever future their small country might have, its chances were better as an independent state than as a member of a rogue Yugoslavia. In September 1991, the people of Macedonia voted for independence.

The Internal Macedonian Revolutionary Organization—Democratic Party for Macedonian National Unity (VMRO-DPMNE) had strenuously opposed integration with any new Yugoslav entity and carried the day. By 1992, Macedonia's citizenry had elected a multiethnic government and met the European Community's requirements for recognition as a new state. Greece, however, blocked EC recognition, setting off a chain of events from which it will take many years for Macedonia to fully recover.

Macedonia's departure from the Yugoslav federation in the fall of 1991 was a risky affair. Belgrade chose not to forcibly contest the decision and the Yugoslav National Army marched out of Macedonia the next spring without violence—but with virtually all the country's heavy weaponry. Milosevic evidently expected to return after events elsewhere calmed down. In the meantime, Macedonia's 12,000-man army was bereft of defenses—a move making a possible return by force quite easy—but the land had escaped becoming a bloody battleground. Macedonia is now symbolically protected by a small UN observation force of about 1,000 sol-

diers, including a contingent of 550 Americans, a significant deterrent to Serbian aggression.

Why the rump Yugoslavia withdrew its army from Macedonia is a complicated issue. At the time, Serbia was heavily involved in Bosnia and Croatia; opening a third, noncontiguous front could well have over-extended the army. Moreover, Macedonia was quite sympathetic to Serbia historically. The animosities that characterized Serbian-Croatian, Serbian-Bosnian, and Serbian-Slovenian relations did not apply to Macedonia. Some 62 percent of Macedonia's trade had been with Serbia before the UN imposed a blockade against the rump Yugoslavia. After the current travails have passed, Macedonia will again no doubt be one of Serbia's major trading partners.

Since Macedonia would again be Serbia's trading partner, there was no need for Serbia to alienate world opinion further, or set up a potential backlash from Macedonians by the use of force. Besides, ethnic Macedonians would be Serbia's natural ally should trouble flare in Serbia's predominantly Albanian Kosovo province. Even so, Macedonian leaders were anxious about Serbian intentions. Serbian troops exacerbated this concern when they occupied a narrow strip of Macedonian territory in 1994 in an apparent demonstration of who possessed the superior force and how vulnerable Macedonia remains.

### ... .NOR ANCIENT GREECE

Macedonia's relations with Greece have been rocky since World War II. In a 1944 declaration establishing the future Yugoslav Federal Republic of Macedonia, Macedonian leaders sought to create a state that included all ethnic Macedonians. Greece was understandably put off by such pronouncements since there was a Macedonian minority in northern Greece. Ultimately, most members of this group fled Greece by the end of the Greek civil war.

Relations between Greece and Yugoslavia were eventually smoothed out, and although Macedonia remained a sore spot both sides elected not to address the dispute in the interest of amity. Tito's death in 1980 and the election of Andreas Papandreou to the presidency of Greece in 1982 changed this. Relations soured as both sides traded accusations about the alleged irredentist aspirations of the other. The problems abated for a time, but reappeared with a vengeance in 1991 with Macedonia's

declarations of independence.

Greece's position, on which it would not yield even in the face of international approbation, was that Macedonia had no right to the name "Macedonia," which Greeks regarded as their exclusive birthright. Moreover, the Macedonian constitution led many Greeks to believe the Skopje was itching to take Aegean Macedonia from Greece. Finally, the flag that Macedonia introduced with independence was a direct provocation of Greece, for it bore the image of the star of Vergina, an emblem of the empire of Philip II and yet another not-so-subtle claim on Aegean Macedonia.

Greece dealt with these problems by imposing a blockade in 1992. The blockade was lifted in October 1995 as a result of a compromise worked out by United States Assistant Secretary of State Richard Holbrooke under which Macedonia changed its flag and offered pledges to respect the territorial boundaries of its neighbors. The name issue remains unresolved, and the Greek government continues officially to hold the view that the neighbor to the north should not use the word Macedonia in its name. The issue, political rhetoric notwithstanding, is likely to wither away over time.

### ... .NOR GREATER ALBANIA

Macedonia is a multiethnic state with a population of more than 2 million people, according to the 1994 census. Some 67 percent of the population is ethnic Macedonian, 23 percent are ethnic Albanian, 4 percent are Turkish, 2 percent are Roma while another 2 percent are Serb, with the remaining population made up of Vlachs, Muslims (also known as Torbeshi), Bulgarians, Croatians, and a smattering of others. Since the advent of Macedonian independence, Albanian leaders have argued that the Albanian population of Macedonia is higher than reported officially. Albanians largely boycotted the first census in 1991, claiming its administration had inherent biases against Albanians. They generally participated in the second, but protested at its conclusion that the Albanian population in Macedonia is actually about 33 percent.

Albanian leaders have called for the recognition of Albanians as a constituent, or founding, nation within Macedonia. They propose that both Macedonian and Albanian should be official languages and that Albanians should have the right to fly the Albanian flag alongside the Macedonian. Albanian

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leaders further demand representation in all facets of the state, including education, in proportion to the number of Albanians in Macedonia. Soon after the founding of the Republic of Macedonia, Albanian nationalists, dissatisfied with what they saw as weak government efforts to meet Albanian demands, proclaimed a separatist "Ilirida Republic" in southwestern Macedonia.

Antagonism between the two largest ethnic groups in Macedonia predate independence. During the Ottoman period, when Albanian (and Turkish) lords and brigands ruled Macedonia after the Ottoman administrative system had broken down, it was the Slavic peasantry—that is, the majority of the population—that suffered most. Following World War I, all ethnic groups in Macedonia coexisted, with predominantly Muslim Albanians and Orthodox Christian Macedonians living in separate societies. During World War II the Albanian sector of Macedonia, along with the Serbian province of Kosovo and Albania proper, came under Italian administration. It was the first time nationally conscious Albanians had lived together in one state, and after the war most were reluctant to see this greater Albania die. However, the new Yugoslav government that emerged after the war recognized that the Albanians were more easily controlled if they were divided.

In the Federal Republic of Yugoslavia, Albanians and Turks in Macedonia experienced discrimination. As a result many Turks emigrated to Turkey in the 1950s. Interethnic relations remained strained, though greater minority rights were accorded over time. In 1968 Albanians in Kosovo and their Macedonian Albanian cousins demanded the creation of a seventh republic to combine the region of Kosovo with that of the Albanian-populated sections of Macedonia. This idea was rejected because it was viewed as the first step toward an eventual greater Albanian state.

Albanian supporters of this view persisted in Macedonia, and Albanians have recently advanced notions such as creating a federative state made up of Albanian and Macedonian autonomous provinces. Although Albanian leaders say they wish to remain within a Macedonian state, most Macedonians believe this is merely political rhetoric and that a "Greater Albania" is the end goal.

Independent Macedonia has tried to address some Albanian concerns by, for example, integrating Albanian ministers into the country's coalition governments and by implementing educational reform. It is unlikely, however, that any majority

Macedonian government will agree to making Albanians a constituent people of the republic. Macedonian fears of Albanian secession run deep and wide. To Albanians, the government's failure to deliver more on their demands is proof that Albanians are not regarded as equals, a conviction that has caused the rise of radical factions among the Albanian political elite. Thus, extremist positions on both sides threaten the well-being of the young state.

## AN ECONOMY UNDER STRESS

Economically, Macedonia is a poor country, where light industry, tourism and agriculture are the chief industries and where full transformation to a free market has yet to occur. Since declaring independence in 1991, it has suffered two trade embargoes by Greece that have wrought severe economic damage. Macedonia's enforcement of UN sanctions against Serbia has also been extremely costly. The combination has caused major disruptions to the economy and a major deformation of the state's development.

Although Skopje has, since independence, developed stronger ties with Albania, Bulgaria, and Turkey in an effort to compensate for lost trade, the deficit has not been erased. And while the creation of a central Balkan trade corridor from the Albanian coast to Turkey may help, it is no substitute for Macedonia's old trading partners. The Greek trade blockade cost Macedonia, according to government estimates, some \$40 million per month. Skopje's enforcement of UN sanctions against Serbia was said to have cost another \$1.9 billion per year, according to Macedonian officials. Greece and Serbia had been Macedonia's most important trading partners when it was still a republic within the Yugoslav federation. The loss of these markets for three years drove Macedonia to sanction-busting and fostered the growth of a black market economy.

The past five years have been economically harsh; unemployment in August 1995 was set at 222,804 people and the number is expected to continue to increase—although here unemployment is both a sign that restructuring is under way and that the economy is depressed. Some of Macedonia's 400,000 employed workers do not receive regular pay. For the approximately 200,000 retirees, pensions are declining steadily in terms of buying power. Less state money has been budgeted to social services and health care is deteriorating, except in private clinics that are generally beyond the means of average pensioners and other citizens.

The Macedonian parliament passed privatization legislation on June 14, 1993, in an attempt to stimulate the growth of entrepreneurship and to sell off state-owned facilities. Although the minister of finance, Jane Miljovski, described the program as a systematic effort intended to make the economy competitive, the facts indicate that privatization is incomplete and has been ineffective in stimulating growth. Some 50 percent of the Macedonian economy's "total assets" are earmarked for privatization, but only between 10 percent and 15 percent of all formerly state-owned enterprises were privatized by mid-1995.

Allegations of corruption dog the privatization program, and allegations of tax evasion and protection rackets abound. There is a conspiracy of silence regarding what some observers argue is rampant and growing corruption, mafias that control segments of the economy, and special deals between ministers and private citizens. The public is outraged and its confidence in the government is low.

How could this happen? Macedonia received negligible aid from Western institutions during the Greek embargo even as it enforced (however haphazardly) the UN-blockade against Serbia. Macedonia thus faced a potentially ruinous economic situation. Into the vacuum came profiteers who operated the black market, an essential source if shelves were to be stocked and consumer needs met. Stores were supplied, few goods or food stuffs were scarce, and housing starts were ubiquitous, especially in the Albanian areas.

Although there is little data, it appears that criminal groups, some of them believed to be associated with political parties, divided the economic territory to meet consumer demands. In effect, mafias proliferated and kept the people supplied. This contributed to internal stability by keeping the population fed; at the same time, the government winked at (and some members may have participated in) such activities. Last July, however, President Gligorov acted to curb corruption in order to reposition the state on the democratic track. He fired 14 high officials, including 4 deputy ministers.

The economy has received several injections of funds. On May 17, 1995, the World Bank approved a loan of \$99 million to reconstruct the financial sector. The next month Japan granted Macedonia approximately \$5 million to aid economic and

political transformation. Switzerland gave about \$1 million. Other loans are likely to come, now that Macedonia has been admitted to the family of European states. Manifestations of this include Macedonia's admission to the European Union's PHARE Eastern European economic assistance program in the fall of 1995 and its inclusion in NATO's Partnership for Peace program in November. Meanwhile, the Greek embargo and UN sanctions against Serbia were lifted in the fall of 1995, and the results, albeit not all favorable, are being felt in Macedonia.

## A NATION OF SURVIVORS

President Gligorov, a former communist functionary in the Yugoslav bureaucracy, managed to weld this country together at the start of the 1990s. Although he spent his professional life in Belgrade and was not a well-known figure in Macedonia, he rose to the occasion. Gligorov has been the personification of the Macedonian state. He has been able to mediate problems and insure interethnic peace. He is respected, if not liked, by all sides. On October 3, 1995, unidentified assassins—probably ultranationalists, perhaps with significant connections in Macedonian communities abroad and opposed to the Greek-Macedonian accord—blew up his car but failed to kill him. He has lost the use of his right eye and may be forced to step down from office, leaving the political scene in disarray since there is no one of his stature in the wings.

Still, Macedonia has survived the Yugowars, severe economic deprivation, and internal stress. It is a country of pragmatists and survivors. While its future is by no means certain, Macedonia will persevere. No neighboring country relishes the idea of a Macedonian breakup, since this could lead to another round of Balkan land grabbing, but this time involving countries outside the former Yugoslavia.

It will, however, take Macedonia a long time to recover from the economic and psychological damage of the 1990s. Growing ethnic polarization and corruption stand in the way of further democratization and the creation of a market economy. Should ethnic Macedonians or ethnic Albanians pull the nationalist trigger, civil war could result. Without economic reform and the introduction of democratization in earnest, Macedonia will hobble along as a third world enterprise at best. ■



"Romania's economic and political problems are not merely the superficial side effects of a complex societal transition: they are systemic shortcomings that pose significant obstacles to further reform."

## Romania: Projecting the Positive

THOMAS CAROTHERS

Since 1989, Romania has lived with the reputation as the laggard of Eastern Europe. As the other countries in the region hurried ahead with economic and political reforms, Romania seemed stuck in a gray zone of stagnancy and irresolution. For many in the West, the chilling icons of Romania's initial postcommunist year—AIDS babies in nightmarish orphanages and marauding miners—remained frozen in place even as the country started to change. In the past year or two, however, a more positive image of Romania has begun to reach the West, due in part to the Romanian government's concerted public relations campaign. The theme of this new campaign is that after a slow start, Romania is now on the path to democracy, capitalism, and integration with the West, with membership in the European Union and NATO the institutional goals of this course.

The recent upturn in Romania's economic performance is an important part of this new image. A major macroeconomic stabilization program launched in late 1993 has been a success. Annual inflation dropped from 256 percent in 1993 to approximately 30 percent in 1995. The punishing economic contraction of the early 1990s has bottomed out and growth has begun, with GDP increasing 1.3 percent in 1993, 3.9 percent in 1994, and approximately 5 percent in 1995. Thousands of new businesses, primarily in the badly neglected service sector, have been opened. Agricultural land has been almost entirely privatized. A new mass privatization program, initiated in mid-1995, will result in the sale of almost half of Romania's 8,000 state-owned companies. A stock market was opened in Bucharest late last year. In cities through-

out the country the signs of economic opening and growth are evident, from recently opened stores to new cars filling Bucharest's once nearly empty streets.

The political side of the new image is similar: after a shaky early period, postcommunist Romania has undergone a political transformation that, although slow and unsteady, has resulted in significant democratization. Romania now has the basic elements of a working democracy—a democratic constitution, diverse political parties competing freely in periodic elections, and general respect for political and civil rights. Independent labor unions operate throughout the country. The media are varied and active: private television stations have been established in most urban centers; a wide array of radio stations, many privately owned, broadcast diverse news and entertainment shows; and newspapers and magazines representing the full political spectrum publish daily and weekly. Nongovernmental organizations have sprung up, not only in Bucharest but in many provincial cities. These NGOs are active in the social services—especially health, education, and welfare—and in civil-political issues such as human rights, elections, and the environment.

Romania's president, Ion Iliescu, who has led the country since the fall of Nicolae Ceausescu in December 1989, has worked hard to promote this positive image of Romania in his frequent diplomatic journeys to Western capitals. And the new image has gained some currency in the West, both because the overall situation in Romania is clearly better than before and because the leaders of the United States and Western Europe are eager to find good news in a region still full of uncertainty. President Iliescu's case has been helped by the return to power of former communists in other countries in the region. The dominant presence of former communists in the Romanian government no longer

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seems anachronistic or ominous, although Romania remains the only Eastern European country (other than Serbia perhaps) in which there has not been a sharp break between the power structures of the past and those of the present. And compared to the uncertain state of political and economic reform in some countries of the region, Romania's progress no longer looks abnormally slow or uneven.

This new version of Romanian reality is appealing and to some extent valid. The true picture is far more complex, however, and in some substantial ways, much more negative. Romania's economic and political problems are not merely the superficial side effects of a complex societal transition: they are systemic shortcomings that pose significant obstacles to further reform.

### STABILIZATION BUT NOT REFORM

Romania's ongoing macroeconomic stabilization program has indeed been a success, and the economy is beginning to undergo a process of self-renovation. But macroeconomic stabilization represents only part of the economic challenge facing the country. Substantial restructuring is still required, including the closing of highly inefficient state-owned heavy industrial enterprises. The government has largely avoided this problem, fearful of the social and political consequences of such steps. The stabilization program has succeeded in controlling inflation without choking off growth because of rapid efficiency gains in small and medium-sized companies. Whether the felicitous combination of relatively low inflation and solid growth can be maintained over the long-term without the rationalization of fiscal and monetary policies remains uncertain. A growing trade imbalance, caused by the continued rapid growth of imports and a leveling off of export gains, is already exerting pressure on the stabilization program, leading to a sharp decline in the value of the Romanian leu against the dollar in late 1995.

Foreign investment in Romania is still low relative to most other countries in Eastern Europe. This low level is an economic shortcoming in itself, since foreign investment is necessary for the restructuring process. But it is also a reflection of the disturbingly high levels of government corruption, disorganization, and red tape that plague business life in Romania and put off foreign investors. And it highlights the fact that the government's overall

economic reform program—as distinguished from the more narrow stabilization program designed by the autonomous central bank—has been poorly designed and haphazardly implemented.

After six years, for example, the government has yet to carry out effective banking reform, thus limiting the credit available to private businesses. Draft legislation for a bank privatization program is seemingly lost in parliament. After much delay, a bankruptcy law was finally enacted in mid-1995, but the law has few teeth and is unlikely to do much to move the restructuring process forward. Much of the agricultural land has been privatized, but in small, commercially unsustainable plots.

In short, although the economy is improving, more reforms are needed. Credit for the country's economic growth should go as much to the Romanian people as to the government: for their willingness to tolerate the economy's free fall in the early 1990s and for the entrepreneurial drive they have shown in recent years. It is the expansion of thousands of small, private businesses, most thriving in spite of rather than as a result of the government's policies and practices, that is moving the economy forward.

Although the recent economic progress is genuine, many Romanians are worse off than before. And even those who are better off tend to find that the modest improvements in their living standards fall far short of their high expectations—expectations fueled by the messages of Western wealth and consumerism in the Romanian media. Serious economic fears also haunt many Romanians, especially the fear of rapidly rising prices and the specter of increased unemployment.

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*The dominant presence of former communists in the Romanian government no longer seems anachronistic or ominous.*

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### DEMOCRATIC DEFICITS

Although the basic forms of a democratic system are in place in Romania, significant democratic deficits exist. Critics have focused on specific, high-visibility issues that raise questions about President Iliescu's democratic intentions. During the past year, for example, these issues have included: government insistence on maintaining a dominant influence in the State Audiovisual Council, which oversees the state television stations; government-proposed legislation that would criminally sanction journalists for insult or slander of public officials; and the formal coalition (now partially disrupted) between Iliescu's Party of Social Democracy in



Romania and the three nationalist parties in the parliament, the Greater Romania Party, the Socialist Labor Party, and the Party of Romanian National Unity.

These issues are important and signal the inconsistency of Iliescu's adherence to democratic norms. But they do not get at the deeper, more structural elements of Romania's democratic deficit, such as the incomplete transformation of the Romanian state, the poor performance of the government, the nondemocratic evolution of Iliescu's party, and the weak development of the opposition parties.

During the more than 40 years of communist rule, the Romanian state apparatus, which was already relatively centralized before the communist takeover, grew into a deadeningly bureaucratic, thoroughly politicized structure. Since 1989, the state apparatus has been only partially transformed in a democratic direction. Some ministries have been reduced in size and some, such as the Ministry of Finance, have replaced old personnel with new, more technically capable staff. In general, however, the transformation has not been far-reaching. The Romanian state remains a largely unresponsive bureaucracy that acts less like a servant of the public and more like a self-sustaining organism primarily concerned with its own preservation and enrichment.

In the first two years after the fall of Ceausescu, there appeared to be some hope for a serious shake-up. Two successive reformist governments tried to open up the state apparatus and harness parts of it for technocratic ends. Since the 1992 national elections and the formation of the current government led by Prime Minister Nicolae Vacaroiu, a quiet reconsolidation of the old state apparatus has occurred. Mediocre, self-interested bureaucrats have regained the upper hand in many ministries and Iliescu's party has increasingly used the state bureaucracy as a patronage park for party hacks.

At the same time, the Vacaroiu government has demonstrated little initiative or capability for reform. Largely by following the dictates of the International Monetary Fund and the skilled policy direction set by the Romanian central bank, the government has managed to oversee an improving economy. But in many areas where the government has major responsibilities, such as health care, justice, education, public works, minority problems, customs, and regional and local administration, the government has done little more than cling to an unsatisfactory status quo.

Many basic features of the government's meth-

ods of operation are troubling. Corruption is widespread. Outside a few key economic areas, the government's technical capabilities are low. Even when reform initiatives are pursued, they are often not well designed or well implemented. And the government sometimes evinces a troubling intolerance of opposition forces; in late 1994 and early 1995, for example, it forced out of office opposition party mayors around the country.

## THE ENTRENCHED POLITICAL MACHINE

The evolution, or nonevolution, of the main political parties in Romania constitutes another major democratic deficit. Iliescu's Party of Social Democracy in Romania continues to dominate Romanian political life without representing any clear ideology. It remains a vague political entity, a party in name, but not really one in the Western sense of the term. Rather, it is an assemblage of heterogeneous political actors and power brokers united only by their mutual interest in maintaining power, Iliescu's leadership, and their ties to the old power structure.

What is most troubling from the standpoint of democratization is that the party increasingly operates like a well-consolidated political machine, especially in the areas of the country where it is strongest, such as the northeast and the south. It uses extensive patronage networks to buy loyalty; it abuses the deeply corrupted state for its own purposes; and it profits from illicit economic transactions made possible by the high degree of state control of the economy.

While the party is often discussed in terms of how much it is tied to the old communist structures, the crucial issue is not its past but its future intentions. The danger for Romania is not a re-creation of communist rule but the possible movement toward a Mexican-style quasi democracy—one characterized by a dominant and entrenched party with lucrative ties to state companies, a tolerated but weak opposition, and regular elections but no actual alternation of power.

Six years after the end of communist rule, the opposition is still struggling to establish itself as a significant political force. Opposition parties tend to blame their weak condition on the government, especially the government's control of national television, and on what opposition activists like to call the lack of "political consciousness" exhibited by ordinary Romanians—which, translated into practical terms, often just means the failure of average people to find opposition leaders compelling or

trustworthy figures. Opposition parties were seriously harassed during the campaign leading up to the 1990 elections, and faced significant disadvantages in the 1992 elections, including unequal access to media and lack of funding. These issues persist but many of the opposition's major problems are of its own making.

Opposition leaders have yet to come up with a clear, simple political message that distinguishes them from the government and appeals to a majority of Romanians. Although they have received extensive technical assistance and training from Western political parties, the opposition parties remain organizations that revolve around a small, ingrown set of leaders in Bucharest and have only sparse networks in most parts of the country outside of Bucharest and Transylvania.

Despite much searching, the opposition has been unable to come up with a single interesting, broadly attractive candidate for the presidential elections this fall. Moreover, the opposition parties have been chronically unable to maintain unity; opposition leaders, generally intellectuals with a poor feel for electoral politics and little public appeal, spend inordinate amounts of time and energy fighting with each other.

The implications of the death last November of Corneliu Coposu, the president of the country's largest opposition party, the National Peasant Party—Christian and Democratic, are still unclear. Coposu, a political prisoner for 17 years during the initial decades of communism in Romania, was the spiritual guardian of the moralistic, no-compromise, anticommunist line within the opposition camp. This approach has not been a successful political strategy for the opposition, and has been increasingly challenged in recent years by younger, more technocratic opposition politicians who understand that merely being adamantly anti-communist will not get them into office. Coposu's death will likely weaken the already slipping Peasant Party though it may hasten a long-overdue generational shift of power within the party away from the pre-World War II generation.

## THE LIMITS TO CIVIL SOCIETY

Compared to the problematic evolution of the state and the major political parties, the growth of civil society in Romania is more promising. However, many of the organizations that make up

Romanian civil society are dependent on foreign donors or the government. And the overall capacity of the emergent civil society to engage large numbers of citizens and influence the political system remains fairly limited. A look at three areas—the media, NGOs, and labor unions—highlights this situation.

The media picture is especially ambiguous. Private television stations have been established in Bucharest and many provincial cities. Cable television service has seen explosive growth; approximately 40 percent of Romanian households subscribe to a cable service through which they have access to local private stations and a large selection of Western European stations. Although private television is growing, it does not necessarily provide a diversity of domestic political viewpoints. Many private stations are owned by powerful businessmen who are friendly to the government and are reluctant to oversee stations that take a highly independent line. The cable services provide a variety of foreign news but little Romanian news. The single national television station, a state-run channel over which the government exercises significant influence, remains the dominant source of national news for most Romanians. Radio is also an important source of news and entertainment and is fairly diverse. State-run stations remain the main source of radio news broadcasting, however, and the government has

recently pressured some private stations to stop carrying the BBC's Romanian-language news service.

Newspapers and magazines are numerous, and some are frequently critical of the government. The issue of press freedom was much debated last year because of a case brought by the government against journalists working for *Ziua*, a daily newspaper, after they had written stories accusing President Iliescu of having worked for the KGB when he was a student in Moscow in the early 1950s. In the aftermath of the *Ziua* articles about Iliescu, the government proposed amending the penal code to add a specific criminal sanction against journalists who insult or slander public officials. The proposal triggered domestic and international criticism and was eventually defeated in parliament by an unusual coalition of nationalist and opposition parties.

Public interest nongovernmental organizations are another area of civil society that has grown rapidly in recent years. Nonprofit NGOs devoted to

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*The danger for Romania is not a re-creation of communist rule but the possible movement toward a Mexican-style quasi democracy.*

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environmental advocacy, human rights, civic education, child welfare, public health, and other issues are now more numerous and have become more sophisticated in their work and their ability to influence government policy. Many of the organizations have moved away from their early partisan, pro-opposition outlook to a much more independent approach; they are willing to work with the government when necessary to further their aims, and they too can be critical of the opposition. For its part, the government maintains a skeptical, often defensive attitude toward NGOs, resenting the establishment of centers of power, no matter how modest, beyond its control.

The NGO sector nonetheless faces distinct limitations. NGOs are concentrated in the major cities and are thus still more a symptom of than a solution to the deep urban-rural divide that afflicts Romanian sociopolitical culture. In addition, Romanian public interest NGOs are financially dependent on foreign donors. Most have not found a way to sustain themselves financially and will continue to exist only as long as they receive support from Western aid organizations and foundations. Their dependence on foreign funding bolsters the negative view of many Romanian officials that the NGOs are inauthentic implants imposed on Romanian society by foreigners pursuing their own agendas in Romania.

With regard to trade unions, a major sector of civil society in most established democracies, the Romanian situation is complex. The monolithic communist union structure of old has given way to an array of new unions, union federations, and confederations, some of which are relatively independent of the government. The several major union confederations, while following divergent political paths, have tried to work together in recent years to present a united front to the government. They have generally not succeeded, however, and have not seen their power grow substantially since the early 1990s.

Infighting between union leaders, over both the large union patrimony from the communist years and political and personal ambitions, has hurt the quest for unity. The government has successfully pursued a divide and co-opt strategy toward the unions, cutting special deals at key junctures to undermine common fronts and playing union leaders against one another. The atmosphere of secrecy and corruption surrounding the government's dealings with the unions strengthens its divisive strategy. And the fact that a large percentage of unionized workers are state employees (the emerg-

ing private sector consisting primarily of nonunionized small-to-medium businesses) keeps many unions in a relationship of at least partial dependence on the state.

### **MORE OF THE SAME?**

The positive picture of Romania's development that has been gaining circulation is too optimistic. Romania's economy is improving but major restructuring still lies ahead. The institutional architecture of democracy is in place but political life suffers from a concentration of power in the central government structures and a too intimate symbiosis between the governing party and the state. The centers of power that exist outside the central state are weak and vulnerable to co-optation. Among the general population, a nascent democratic civic consciousness is overshadowed by a slowly fading tradition of psychological dependence on the state.

The local and national elections that are to be held this year are unlikely to change Romania's course. Just as Romania has historically borrowed political structures and cultural aspirations from France, it now seems prepared to indulge in the French habit of recycling presidential elections.

What is striking about the upcoming presidential election is how similar it promises to be to the last presidential election in late 1992. The lineup of candidates will be largely the same: the incumbent, President Iliescu, will be challenged by an array of candidates who also ran in 1992: Emil Constantinescu of the National Peasant Party and the Democratic Convention of Romania; Petre Roman of the Democratic Party (who has migrated since 1992 from the government side to the opposition); Gheorghe Funar of the Party of Romanian National Unity; and a few other repeats. The Democratic Convention will be a narrower coalition this time, the result of numerous defections from the Convention in 1995 that included the Civic Alliance Party, the Hungarian Democratic Union of Romania, and the Liberal Party-1993. These parties, along with some of the small Liberal Party offshoots, may form a new opposition coalition with Roman's Democratic Party if the rival leaders can put aside their personal ambitions and work together.

The results of the next presidential elections are also likely to be similar. Romanians of all political stripes generally believe President Iliescu will be reelected. Many Romanians are unhappy with what they perceive as pervasive government corruption and inefficiency, and are worried about rising prices and unemployment. Yet Iliescu maintains a high

level of support among peasants, industrial workers, public sector employees, and others attracted by his central political message that a slow approach to economic reform best reconciles the goals of modernization and minimal social dislocation. The opposition parties have many supporters among urban professionals and young people, and in cities in general. But they have little support in the sectors constituting the majority of Romania's electorate and no candidate or political message is likely to build such support in the months ahead.

There is uncertainty about the outcome of the upcoming parliamentary elections. Iliescu's party seems likely to repeat its performance of 1992 in which it won a plurality (28 percent) but not a majority. This would leave open the important

question of whether Iliescu would be able to form a coalition with some of the opposition parties rather than with the three nationalist parties that have served in that role since 1992. If a second opposition coalition does form around Roman's Democratic Party as an alternative to the ailing Democratic Convention, and if it does reasonably well in the elections, it could end up as a coalition partner with Iliescu's party, provided Iliescu can overcome his intense dislike of Roman. This would bring some parts of the opposition into the government and perhaps start to break down the ritualized and polarized state of postcommunist Romanian politics—a potentially important, though not necessarily decisive, step toward greater democratic development. ■



"The election verdict was... hardly a repudiation of capitalism or nostalgia for communism. It was both a retrospective verdict—a rejection of 'five more years of this'—and a prospective one: an endorsement of a more reasoned and dignified style in the presidential office."

## The End of the Walesa Era in Poland

RAY TARAS

**A**t the end of 1995, Poland's young democracy was rocked by two dramatic and contradictory events. One, a presidential transition from anticommunist Lech Walesa to former communist Alexander Kwasniewski, seemed to reinforce the view that democracy had been consolidated. The other—charges that Prime Minister Jozef Oleksy had served both as a Soviet and a Russian spy—raised fundamental questions about the political stability of the Polish republic six years after the transition from communism. The first event came as little or no surprise to most Poles, but the second was a political bombshell.

### NOT THE CLASH OF THE TITANS

Some political scientists consider the minimal test of a consolidated democratic system to be the holding of two consecutive elections. Since fully free parliamentary elections had taken place in 1991 and 1993, the second direct presidential election in November 1995 (the first was held in December 1990) would confirm that Poland's democratic system was firmly rooted.

Other political scientists regard a successful turnover of government from incumbents to an opposition to be the mark of a consolidated democracy. Such a turnover occurred following the September 1993 parliamentary elections, when the Solidarity coalition government, headed by Prime Minister Hanna Suchocka, was defeated and replaced by a coalition of former communists and their traditional Polish Peasant Party (PSL) allies. In December 1995, the runoff presidential elections produced a similar outcome when Walesa, the founder of the Solidarity trade union, suffered a

narrow defeat at the hands of former communist Alexander Kwasniewski. The transfer of power was completed on December 23 when the 41-year-old Kwasniewski took the presidential oath of office. Ironically, Poland has met both tests of a consolidated democracy with the accession to power of a former communist in place of the former Solidarity head.

Kwasniewski's inauguration reminded observers of past titanic struggles between communists and dissidents. The inauguration ceremony was boycotted by Walesa and a number of other prominent Solidarity leaders, and Kwasniewski did not employ the phrase "so help me God," contained in the oath of office but to be invoked on a voluntary basis. However, by the 1995 elections both Walesa and Kwasniewski had distanced themselves from their respective organizations. Walesa had quarreled with Solidarity over its syndicalist character and had even failed to attend its annual convention a few years earlier. Shortly after winning office in December, Kwasniewski resigned from the Social Democracy of the Republic of Poland Party (SDRP) that he had headed since it had risen from the ashes of the communist Polish United Workers' Party (PZPR) in January 1990. The SDRP was the cornerstone of a postcommunist electoral bloc that unified a number of organizations, including the old communist trade union, into the Alliance of the Democratic Left (SLD).

Postcommunists—those groups and leaders who had made the transition from the former ruling communist apparatus to its social democratic successor—had already been in the government since their victory in the September 1993 parliamentary elections. In withdrawing from the SDRP, Kwasniewski explained that, like Walesa before him, the president should be above party politics and should represent the national interest. Still, his association

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not only with the SDRP but also with the PZPR left many Poles wondering whether he could succeed in being nonpartisan.

The three-month-long election campaign had seen a dramatic surge in Walesa's popularity as he closed in on front-runner Kwasniewski. Public opinion polls conducted throughout the spring and summer of 1995 revealed that Walesa's support seldom rose over 10 percent. The same surveys showed that he would lose to any other party leader in a head-to-head contest. But from September onward he overtook such center-right candidates as former Prime Minister Jan Olszewski, the head of the Movement for the Republic, and Hanna Gronkiewicz-Waltz, president of Poland's central bank and Christian Union Party candidate.

By forcing PSL leader Waldemar Pawlak to resign as prime minister in February 1995, Walesa had already undermined Pawlak's candidacy and, indeed, the youthful but dour two-time prime minister fared disastrously in the elections. During the campaign Walesa established himself as the only "electable" center-right candidate. In his television appearances he tried to look thoughtful and sensible, putting behind him the frequently ungrammatical, highly charged tirades of past years with which many people associated him. His campaign posters proclaimed: "There are many other candidates. There is only one Walesa."

## A MATTER OF STYLE?

Turnout in the first round approached 65 percent, and just over two-thirds of the votes cast went to Kwasniewski (35 percent) and Walesa (33 percent). Left-of-center candidates trailed far behind these two men: former dissident Jacek Kuron, who received 9 percent, represented the Freedom Union (uw)—a party of unhappily merged social democrats and neoliberals—and government ombudsman Tadeusz Zielinski, with 4 percent of the vote, was the nominee of the Union of Labor, a socialist movement emerging from Solidarity. Pawlak, the PSL candidate—a party usually allied with former communists—obtained only 4 percent of first-round votes. The momentum was clearly with Walesa going into the second round.

Two television debates between Kwasniewski and Walesa proved inconclusive, though their contrasting styles—Kwasniewski's youth and eloquence against Walesa's churlishness and demagoguery—were to have an impact. Walesa stressed how

Poland had to break with communism once and for all. He also alleged that Kwasniewski's wife had profited from insider, nomenklatura trading in stock. Kwasniewski disarmingly replied that he was powerless to do anything to restrict the economic activities of his wife.

The most ironic aspect of the campaign proved to be former communist Kwasniewski calling Walesa a man of the past—the same Walesa who had won the Nobel Peace Prize, accelerated the end of Communist rule, and had inspired the Polish joke: "How many Poles does it take to change the world? Just one."

Turnout in the second round increased to 68 percent, and Kwasniewski won by a slim margin, 51.7 percent to 48.3 percent. Walesa had so antagonized his former associates in Solidarity that many of their supporters refused to vote for him in the runoff. While it was no surprise that two-thirds of the voters supporting Zielinski and Pawlak in the first round had switched to Kwasniewski, it seemed

unusual for over 40 percent of Kuron voters to turn to the former communist, or for 25 percent of Olszewski backers—who took pride in his uncompromising anti-communism—to do likewise. Even 3 percent of first-round Walesa voters abandoned the erstwhile leader in the second round. The decline in Walesa's star was made manifest in the town in which he was born, Popowie, where he lost by 13 percent to Kwasniewski.

Who tipped the balance in favor of the postcommunist candidate? Walesa's regional support was greatest in the conservative southern part of the country and the poor rural east; he also did well in the cities. He won the majority of votes cast by those over 50, by private entrepreneurs, pensioners, and housewives, and by those with primary and those with higher education—the last a reversal of the first-round pattern, where Kwasniewski captured the intelligentsia.

Kwasniewski swept the more populated mining and industrial regions in western and coastal Poland (he is from Koszalin, a province on the Baltic Sea). He registered a sizable margin of victory over Walesa among twenty-somethings and baby boomers. Farmers, office workers, laborers, and the unemployed also backed him. While rural women supported Walesa for his strongly expressed religious beliefs, such as his presidential veto of legislation that would have liberalized abortion, more secular, urban, and educated women preferred Kwasniewski.

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It should be stressed that Kwasniewski worked hard to win the election. He went on a crash diet and took up tennis to improve his appearance. He organized a large staff and campaigned vigorously, touring the country on a bus called "Kwak." He made it clear during the campaign that Poland would not abandon political and economic reforms under his leadership. In his victory speech he asserted that, "The choice we made in 1989 is the correct choice, supported by the majority of Poles."

Kwasniewski was able to project the image of a man with Western tastes, a man with moderate social democratic views embracing the spirit of free enterprise and open to a wide variety of opinion. For his part, Walesa could not recover the support he had lost as a result of his perceived capriciousness and obstinacy. The election verdict was, therefore, hardly a repudiation of capitalism or nostalgia for communism. It was both a retrospective verdict—a rejection of "five more years of this"—and a prospective one: an endorsement of a more reasoned and dignified style in the presidential office.

### THE OLEKSY AFFAIR

Only days after the election, Walesa's electoral committee filed a protest contending that Kwasniewski had lied during the campaign when he said he had a master's degree in economics. The protest said that Kwasniewski's spurious claim had swayed enough voters to his side who otherwise would have cast ballots for Walesa. But in a split verdict the administrative branch of the Supreme Court rejected the complaint, ruling that it was impossible to determine how many voters had been misled.

Kwasniewski publicly apologized for the misunderstanding, contending that he had finished all his coursework but had never submitted his thesis. In early January 1996, charges were made that neither Prime Minister Tadeusz Mazowiecki nor Walesa had obtained the degree or diploma they had claimed. The vindictive nature of Polish politics had come to the surface.

A week after Kwasniewski had been confirmed the winner of the election and just days before Walesa was scheduled to leave office, the outgoing president produced a bombshell: he had in his possession documents linking SLD Prime Minister Jozef Oleksy to the former KGB and its Russian successor, the Federal Security Agency. Walesa's interior minister, Andrzej Milczanowski, submitted these documents to a military prosecutor and to a parliamentary commission. They purportedly showed Oleksy's collaboration with the KGB and its

successor from 1983 until he became prime minister in March 1995. The most damaging evidence was his close friendship with the KGB's onetime station chief in Warsaw, Vladimir Alganov. The fact that the two men were neighbors made it difficult for Oleksy to deny any connection.

Given the timing of the announcement, this second major event of December 1995 seemed, at first glance, to have all the makings of an attempted coup by Walesa to stay in power. Indeed, his convening of the national defense committee in emergency session without inviting Oleksy (the prime minister should be present *ex officio*) had the appearance of the type of coup that interwar Polish strongman Jozef Pilsudski, much admired by Walesa, had manufactured in May 1926. Fortunately for Polish democracy, Walesa's charge of treason against the prime minister seemed to be in good faith, more a means of protecting Poland's national interest than a political maneuver. (The timing of the announcement—after the election was over—indicated that Walesa had not wished to use the matter as part of a dirty tricks campaign.)

For his part, Prime Minister Oleksy asserted that he had been approached informally and offered a deal—resign in return for keeping the charges quiet—but he turned it down. The documents were a forgery, he stated. Defenders suggested that it was possible that they had been manufactured by the Russian intelligence agency to discredit Oleksy for being uncooperative while prime minister and for continuing to pursue NATO membership for Poland. Russian intelligence officials publicly denied that Oleksy had ever been in their pay and that they had any reason to discredit him. The drama of an incumbent prime minister being investigated for treasonous activity illustrated the volatility of Polish politics even as the structural foundations for democracy seemed to have been stabilized.

The newly elected president was thus faced with a major crisis during his first days in office. Replacing Interior Minister Milczanowski (as well as the heads of two other presidentially appointed ministries, defense and foreign affairs) with an SLD-backed candidate left Kwasniewski open to the charge that he was trying to blunt the investigation of Oleksy, his party colleague. Kwasniewski put pressure on the prime minister to take a leave of absence while a prosecutor investigated the evidence.

On January 24, the prosecutor announced that, following a preliminary investigation, formal charges were to be brought against Oleksy for main-

taining contacts with foreign intelligence officers—charges carrying anywhere from five years in prison to the death sentence. Oleksy submitted his resignation the same day. The SLD's main coalition partner, the PSL, threatened to withdraw from the government but then entered into negotiations with the postcommunists on naming a successor and shuffling cabinet posts. The result was that, in February, Poland's eighth government in eight years was formed. Kwasniewski appointed Włodzimierz Cimoszewicz, the SLD's deputy leader, a former minister of justice and 1990 communist presidential candidate who ran against Walesa, as prime minister to head the new government.

The Oleksy affair raised issues going beyond the integrity of the prime minister. Other SLD leaders, including Kwasniewski, were linked to past contacts with Russian agents. The president responded by proposing new legislation ensuring access to secret police dossiers on politicians.

In a gesture seemingly defending Oleksy, Kuron, together with fellow dissident Karol Modzelewski, published an "Open Letter to Political Parties" criticizing the continued influence of Poland's special services located in the Office of State Security. And in an act of defiance, the SDRP's leadership convention selected Oleksy to succeed Kwasniewski.

To be sure, political instability of this sort is benign. Moreover, the threat of a coup—first taken seriously in the spring of 1992 when Prime Minister Olszewski launched a witchhunt for communists that implicated Walesa in secret police activity—has proved to be more political imagination than reality. But the institutionalization of Polish democracy involves resolving a number of important issues that have shown themselves to be resistant to change in the first six years of Polish democracy.

One such issue concerns the adoption of a new constitution. The division of power between the executive and legislative branches of government is of central importance to the new constitution. Walesa had advocated a strong presidency instead of the semipresidential system modeled on the French Fifth Republic that Poland had adopted. On taking power Kwasniewski repeated that he was a parliamentarian, implying that he opposed entrusting too many powers to the executive office.

Another key part of the new constitution is the status of the concordat concluded between the Polish government and the Vatican in 1993 but never

ratified by parliament. The agreement gave the Catholic Church a privileged place in Polish society by declaring that "the Catholic religion is practiced by the majority of the Polish population." The concordat also provided a legal basis for future claims that might be filed by the church for restitution of ecclesiastical property. In contrast to the crusade it undertook for Walesa's political bloc in the June 1989 legislative elections, the church's detached posture in the 1995 presidential election, offering Walesa what was for the most part lukewarm support, suggested to some that Cardinal Józef Glemp had come to an understanding with Kwasniewski and Oleksy on ratification of the concordat.

### AN EASTERN EUROPEAN TIGER?

Poland's economy continues unimpeded along the free market reform path. Economic indicators for 1995 reflected continued growth. The increase in GDP in 1995 was poised to exceed the impressive 5.2 percent rate recorded for 1994. Industrial production was up last year by 7 percent, making Poland the first Soviet-bloc country to return to the production levels of 1989—the last year of communist rule. Burgeoning Polish exports amounted to some \$20 billion, with approximately four-fifths going to developed countries. Imports were up to nearly \$23 billion, cutting into the trade surplus registered in previous years, but unrecorded trade could wipe out the imbalance. Western investment in 1995 was more than \$1 billion, bringing total investment since 1989 to \$6 billion.

Real wages rose 3.4 percent and registered unemployment fell from 2.9 million to 2.6 million (about 14 percent of the labor force) between the end of 1994 and 1995. It is estimated that in 1995 between 2 million and 3 million Poles worked in the unofficial second economy, although these workers were not necessarily the officially unemployed. In fact, the black market contracted as private enterprise was able to provide similar goods and services more efficiently.

Inflation, down from 60 percent in 1991, remained troublesome at a 22 percent annual rate. The Polish currency, the zloty, continued to exhibit strength, staying within the range of Z2.43-Z2.53 to the dollar throughout 1995. The budget deficit was pared to 3.3 percent of GDP, putting Poland within reach of Maastricht Treaty limits agreed on

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by the European Union. This fiscal prudence allowed Poland the luxury of declining an International Monetary Fund loan scheduled for 1995.

Poland's steady economic growth has been spurred by the reforms introduced by Finance Minister Leszek Balcerowicz and passed by parliament in December 1989; these have brought about price liberalization, privatization of nearly everything other than large industry, a reduction in the budget deficit, and stabilization of the zloty. Admittedly, high social costs have been incurred in the economic transition, leading voters to reject neoliberals in favor of social democrats. But in general, economic performance in 1994 and 1995 served to anchor the political system. While the Solidarity governments spearheaded by Walesa, Mazowiecki, and Balcerowicz initiated a bold reform program designed to make Poland's transition to capitalism as speedy as possible, it was the left-of-center governments of Pawlak and Oleksy that presided over the most dynamic economic growth generated by any former Soviet-bloc country.

### THE POST-TRANSITION PHASE

The defeat the center and center-right parties suffered in legislative and presidential elections has brought into question whether the more conservative forces can keep the postcommunists in check. These parties, originating in the Solidarity movement, have been divided by quarreling over policy and personnel issues. The respectable performance by Olszewski in the presidential elections has led to the creation of a right-of-center bloc, the Movement for Rebuilding Poland. A Patriotic Bloc, uniting several right-wing parties like the Confederation for an Independent Poland, is an attempt to capture the nationalist constituency. In contrast, postelection efforts by Walesa to organize a similar coalition opposed to the postcommunists have been rebuffed by most of his former colleagues.

The PSL can tap a large constituency—over one-

third of the electorate lives in rural areas—and it will remain pivotal in legislative politics. Whether it would do better to dump its leader, Pawlak, who excels in coalition building but lacks charisma, is difficult to gauge. Three members of the UW—Mazowiecki, Jan Krzysztof Bielecki, and Suchocka—have served as prime ministers, but the party chose the worn-out Kuron as its presidential candidate and the inflexible Balcerowicz as its party chair. Apart from the personal ambitions of these leaders, the UW has never successfully bridged the gap between supporters of a German-type social market approach to economics and those holding to a more Thatcherite vision. Yet it is the only party with enough of a history and a following that can challenge the well-disciplined postcommunists in the parliamentary elections scheduled for next year.

Successive Polish governments can point to many remarkable achievements in leading the country through the difficult transition from an authoritarian political system and command economy to a pluralist democratic system with a vibrant free market. Many of these successes could be compromised, however, if the European Union does not seriously consider Poland's application for membership. The issue of joining NATO is more contentious, forcing the West to choose between maintaining the status quo or antagonizing Russia by extending a security umbrella into Eastern and Central Europe. Maintaining a close, cordial relationship with Germany is also central to Poland's future political and economic success; shortly after his inauguration, Kwasniewski made his first foreign visit to Germany, and France to cement ties.

With the presidential election behind it, Poland has entered a post-transition phase of development that should be characterized by greater predictability. Yet, as the Oleksy affair makes clear, one should not assume the predictability of Polish politics. ■

That both parties to the Czech-Slovak divorce failed to contest it is indeed a rarity. Still odder is the paradox of the dissolution of a state that most citizens said they wanted to preserve.

## Could This Marriage Have Been Saved? The Czechoslovak Divorce

CAROL SKALNIK LEFF

On January 1, 1993, Czechoslovakia's anti-communist Velvet revolution of 1989 was supplanted by the Velvet (although hardly "no-fault") divorce between the Czech Republic and Slovakia, which created two new states in Central Europe. The collapse of Czechoslovakia is distinctive both for its peacefulness and for the absence of strong popular support for dissolution. New states do not usually emerge unopposed; Yugoslavia's violent disintegration is a tragic headline story, and even the negotiated dissolution of the Soviet Union has been accompanied by serious regional violence. That both parties to the Czech-Slovak divorce failed to contest it is indeed a rarity. Still odder is the paradox of the dissolution of a state that most citizens said they wanted to preserve. Could this marriage have been saved?

### THE AMICABLE SEPARATION

Since its inception in 1918, the Czechoslovak state had experienced continued tension over its identity and the political relationship of Czechs and Slovaks. Slovak leaders, representative of the less populous and less economically developed of the two regions that joined together that year, consistently tried and failed under subsequent democratic and communist regimes to wrest significant regional power from the center to protect Slovak interests. The historical apogee of those previous efforts was the federalization of the state into the two Czech and Slovak republics in 1969, the most significant legacy of 1968 Prague Spring reforms

that were otherwise largely aborted by the Soviet invasion. A state governed under the centralizing tendencies of a communist party, however, could not be truly federalized.

The embattled national issue was thus ripe for reconsideration after the collapse of the communist regime. During the Velvet Revolution, it seemed that a workable balance of power between the Czechs and Slovaks, and between the central government and the two republics, might finally be achieved in a democratized framework. All the major movement politicians agreed that satisfactory resolution of the national question was long overdue, and were prepared to search for an "authentic federation" with significant power vested in the two republics during the negotiation of the general democratic constitutional bargain. Negotiations launched after the first free elections in 1990 were scheduled for completion in the two-year tenure of the first postcommunist federal assembly.

Dozens of political summit meetings between 1990 and the elections of 1992 failed to produce a consensual formulation of "authentic federalism" that could pass muster in the federal assembly. As the 1992 elections approached, the final attempt at agreement failed in the Slovak National Council by one vote, and discussion was suspended pending the outcome of the June campaign.

Although virtually all major party platforms included a plank supporting some form of common state, the 1992 elections only finalized the stalemate, producing different and incompatible winning coalitions in each republic. The Czech contest centered on economic reform, with Vaclav Klaus and his Civic Democratic Party (CDP) winning handily. The constitutional issue was secondary to this agenda. In Slovakia, where the constitutional/national issue was quite central, Vladimir

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Meciar's Movement for a Democratic Slovakia (MDS) won the electoral right to defend Slovak interests on a platform that promised a more decentralized confederal state. Although Czech observers interpreted the MDS electoral program as "nothing more or less than the end of Czechoslovakia," voters who supported the MDS held a variety of views on the issue. Their concern was the protection of Slovak interests.

This bifurcated electoral debate did nothing to create a rationale for a Czech-Slovak constitutional agreement. Klaus's commitment to wholesale economic reform and tighter federation was at odds with Slovak preferences. Meciar's decentralized confederation was totally unacceptable to Klaus. Without a conscious intent to destroy Czechoslovakia, the two electorates had nonetheless reinforced the constitutional deadlock.

Despite the long history of Slovak efforts at self-assertion, and the tendency of Western journalists to describe the disintegration of the state as a "Slovak secession," it was the Czechs who short-circuited postelection negotiations and torpedoed the joint state project. Shortly after the elections, Klaus announced that it was clearly impossible to find compromise on such divergent views: the federation, he forecast in a self-fulfilling prophecy, was dead. Slovak Prime Minister Meciar cried foul, claiming that the Klaus and his CDP had "decreed the disintegration of the state after 40 minutes of discussion."

The MDS-CDP federal government coalition initially lacked the necessary three-fifths majority in each of the federal assembly chambers to formalize the separation. In October 1992, Meciar's MDS even joined Czech opposition deputies to pass a non-binding resolution calling for a new "Czech-Slovak Union" to bridge the period before European integration. Klaus rejected this effort to preserve a continued relationship, arguing that the only constructive option remaining was to pursue a smooth separation—a "velvet divorce." When the federal assembly finally agreed on November 25, 1992, to dissolve the federation, fear of the alternative—an anarchic breakup—reconciled even many adherents of the Czechoslovak state. Proponents of a popular referendum on the issue were beaten back; President Vaclav Havel, despite earlier appeals for such a procedure, now felt it "no longer made sense." Czechoslovakia ended without a military battle, without a referendum, without a clear secession, and without even a widespread independence movement in either republic.

## ACCOUNTING FOR THE DISINTEGRATION

To summarize the course of events leading to the perplexing breakup of Czechoslovakia is not to explain it. Any satisfactory explanation must take into account a set of historical, institutional, and socioeconomic factors that interacted to produce a deadlock on the future form of the state.

One factor was clearly structural. Of the nine European communist countries undergoing post-communist transformation, only three disintegrated—Yugoslavia, Czechoslovakia, and the Soviet Union—and all three were federations. Why were these federations so fragile? In each case the ruling communist party orchestrated the federalization of the state as a solution to ethnonational diversity and as a way of stabilizing interethnic relations and giving delimited recognition to national aspirations. As long as the communist authority remained intact, the federal "solution" to vexing national questions also remained intact, even according a power base to national elites. The erosion of communist power, however, reopened debate on the national bargain.

A federal structure "energized" by competitive elections and free media gave dissatisfied national groupings a republic-level institutional power base. In the Czechoslovak elections of 1990 and 1992, the electorally victorious parties were all based in a single republic; no party winning seats in the Czech Republic was also successful in Slovakia. This division of the party system along republic lines was important to the constitutional deadlock, because it meant that key party and government leaders spoke for constituencies in one or the other republic. As a result, there was no party with a statewide base to represent the interests of the entire country in the negotiation process. In the Czechoslovak party system, any politician—such as well-meaning Czech Prime Minister Petr Pithart—who tried to do so was attacked for betraying his republic's interests. Federal officials who tried to transcend party affiliation to talk of overall interests were accused of serving bureaucratic centrism. From the outset, therefore, the segmentation of the party system divided the negotiators along regional and ethnonational lines. Ironically, the communist federal solution to the problem of ethnonational diversity ended up providing an arena for national reassertion once communism was gone.

Federal institutions themselves also played a part. The mandate of the newly elected Czechoslovak parliament in 1990 was to ratify a new democratic constitution during its tenure. By the existing

federal rules of the game, however, ratification was completely dependent on mutual Czech-Slovak agreement. Under the communist federal constitution, the process of constitutional revision required three parliamentary majority votes: one in the House of Peoples, and one each in the Czech and the Slovak chambers of the House of Nations. Failure in any one of these three bodies would defeat a resolution. Although Czechs outnumbered Slovaks by a margin of two to one, both national groups were equally capable of vetoing the new constitutional arrangement.

Had the negotiating parties agreed on the general outlines of a settlement, these institutional factors would not have been the determining factor. The problem was the basic incompatibility between Czech and Slovak ideas of a viable constitutional arrangement. In general, Slovak parties wanted a looser federation or confederation, with substantial authority devolved to the two republics. Czech leaders generally favored a "tighter," more centralized federation that Slovaks deemed "Pragocentrist." Ultimately, neither side was willing to compromise to surmount the constitutional hurdles. The battlelines were drawn between two ethnically/territorially distinct party systems and republics, each championing a different conception of the state—a clear formula for bargaining deadlock.

It was not merely a Czech-Slovak settlement that was deadlocked. In the absence of a clear allocation of authority between the center and the republics, Czech-Slovak disagreements effectively held hostage the economic and political transitions as well. This was especially true because of Czech and Slovak disagreements on the economic agenda. A centrally coordinated grand strategy of rapid marketization, which was propounded by Vaclav Klaus and other key Czech politicians, was met with skepticism in Slovakia, where the dislocations of economic change were exacting a greater toll, notably in higher unemployment. Support for economic reforms on the eve of the 1992 election registered 49 percent in the Czech Republic, but only 28 percent in Slovakia.

Economic hardships and the resulting doubts about economic reform made a looser federation doubly attractive to Slovaks, since it promised greater Slovak control over its economy. By contrast, a separate Slovak economic program appalled

many Czech officials, who recoiled from the prospect of two simultaneous, conflicting economic transitions on the territory of a single state. "We cannot have two different reforms in a single economy!" protested the federal minister for strategic planning. This unwelcome possibility only reinforced Czech insistence on preserving real authority at the center.

As the stalemate dragged on, some Czech leaders began to see Slovakia as a liability to economic reform at home and the Slovak question as damaging to the country's image abroad. The apparent benefits of going it alone ultimately hardened Czech insistence on tighter federation as the nonnegotiable alternative to state dissolution. The prospect of quicker membership in Western institutions without Slovakia also militated in favor of the split. These considerations appear to have been influential in shaping Klaus's negotiating posture after the 1992 elections.

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In the face of this elite deadlock, what do we make of public opinion polls that showed amicable Czech-Slovak relations and consistent popular support for a single state in both republics? From 1990 until the parliamentary vote on dissolution in 1992, polls showed at least a plurality of citizens in each republic favoring the continuance of the state. On the eve of the definitive 1992 elections, 81 percent of the respondents in the Czech Republic and 63 percent in Slovakia favored an alternative to separation. In fact, the

decision to separate was never subjected to popular referendum, as was the case in the secessionist republics of Yugoslavia and the Soviet Union. The disintegration of Czechoslovakia would appear to be a profoundly undemocratic outcome.

However, this characterization is oversimplified. Although Czech and Slovak public opinion supported a unified state, the mass publics disagreed as much as their leaders on the kind of state they wanted. Most poll respondents in Slovakia preferred a decentralized union, while those in the Czech Republic favored a tighter federation or even a unitary state. Moreover, polls on statehood did not measure how strongly people were committed to the existing state, or clarify what tradeoffs the public would prefer between joint statehood and rapid economic reform.

This would have been a difficult problem to solve by referendum, even had it produced a vote for con-



tinued statehood, as polling data suggests. A "yes" vote would not have resolved the form of the state, which was the question that hamstrung leadership negotiations. A further referendum on constitutional alternatives could well have resulted in a Slovak vote for confederation and a Czech vote for a tighter federation, throwing the popular deadlock back to the arena of leadership deadlock.

A final factor in the dissolution is more elusive, but all important: the absence on either side of a sufficiently strong mutual psychological stake in maintaining Czechoslovakia. Czechoslovakia differed from the other communist federations in ethnic distribution. A key source of conflict in the Soviet and Yugoslav cases was the dispersion of key national groups across republic boundaries. "Stranded" Russian and Serbian minorities created resistance to the dissolution of the Soviet and Yugoslav states, and became a source of continuing tension and even war. The Czech and Slovak case was different. Only about 1 percent of the population of the Slovak Republic was Czech, and only 4 percent of the Czech Republic's population was Slovak. There was no real sense of ancestral belonging and threatened separation from the motherland that might have fueled Serbian-style resistance to dissolution; after the split, most "displaced" Czech and Slovaks simply returned home, or transferred their citizenship. Accordingly, the emotional temperature of the ethnonational dispute in Czechoslovakia was considerably lower than in Yugoslavia or the Soviet Union. If this was not a completely velvet divorce, the separation was nonetheless facilitated by the absence of the dangerous crossboundary ethnic ties that plagued the dissolution of other postcommunist federations.

In the final analysis, none of the answers to the riddle of the "velvet divorce" is complete without acknowledging the legacies of distrust and mutual incomprehension that fed into and helped poison the negotiation process. Again, Czechoslovakia was not Yugoslavia. Polls repeatedly showed that Czechs and Slovaks did not hate and fear each other, or even dislike each other. However, most Slovaks did not trust Czechs to treat them as equal partners. The disintegration of the state in 1992 was the culmination of a long history of failed Czech and Slovak efforts to devise a mutually satisfactory arrangement for coexistence. As had been true during the Prague Spring and earlier periods of regime change, Slovaks felt a lack of Czech comprehension of, and sympathy with, Slovak interest in safeguarding their national identity. Czechs regarded

Slovak identity politics as a distraction, fueled by elite demagoguery, that compromised more important goals of political and economic consolidation.

The media atmosphere of charge and countercharge, and the historical experiences that generated such heated exchanges, undermined the constitutional negotiations and impeded reconciliation. In the course of negotiations, the Czech press accused Slovaks of pursuing a "secret strategy" of independence; of trying to "break up the federation" with their economic demands. Meciar was a "country bumpkin," a police informant, or an authoritarian demagogue. Slovak journalists protested their "demonic image" as "neofascists, neocommunists, and anti-Semites" in the Czech media and countered with charges of "Pragocentric" colonization of Slovakia; "secret Czech strategies" of restoring Czechoslovakist ideology, and robbing from the Slovak economy to build Czech prosperity. The renewal of old quarrels sparked dismay and surprise as initial optimism about a solution faded; it certainly contributed to a sense on both sides of the negotiating table of irreconcilable differences.

Although the absence of fervent Czechoslovak patriotism may have been the state's death warrant, it also had the positive consequence that no group felt intensely enough about unified Czechoslovakia to raise violent objections to its demise. Thus explaining Czechoslovakia's disintegration is integrally bound to the explanation of its peaceful character. So moderate were the antagonisms, however, that postponement of a decision on the national bargain until political and economic institutions were more stable might have generated agreement. Ironically, it was probably democracy itself that made this postponement impossible. Competitive elections and a free press put the national question firmly on the agenda. One might argue that conditions after 1989 created the two elements of the power equation that led to the final dissolution of the state: democracy and federation.

## ON THE SAME ROAD?

Since the dissolution of the state, the newly independent Czech and Slovak Republics have followed parallel yet different paths. Freed of Slovak resistance to economic reform, the Czech Republic pursued perhaps the most radical program of privatization by a postcommunist state. Its coupon or voucher program, for example, gave all citizens a stake in the transformation by permitting them to buy vouchers exchangeable for stock shares in two successive waves of enterprise privatization in 1992

and 1993 (a method later adapted by Russia, Bulgaria, and Romania). Currency stability, low unemployment, and a hopeful public distinguished the Czech economic experiment, although some economists expressed fear that low unemployment was symptomatic of insufficient industrial restructuring—a bill that might come due later.

Overall, however, the Czech Republic was regarded as the former Soviet bloc “economic champion.” Government officials remarked last spring that the country was receiving as much foreign investment as it could absorb, and the Czech Republic was the first postcommunist state to be admitted to the club of industrial nations, the Organization for Economic Cooperation and Development (OECD) in November 1995. Slovakia’s economic performance looked lackluster by comparison, but by general Eastern and Central European standards, the economic picture is more creditable, with growth rates comparable to, or even outstripping, Czech rates despite higher unemployment.

The more important divergence between the two states has been political. To be sure, Czech politics has not been devoid of complications. The Klaus government has faced a series of corruption scandals, including the trial of privatization agency head Jaroslav Lizner for accepting a bribe case of bribe money, and the revelation of some dubious campaign finance practices. Remedial legislation was passed following the exposure of such machinations as the “meal of fortune,” a gala for the ruling CDP that private and state-owned businesses paid \$9,000 apiece to attend. But the Czech Republic’s 1993 citizenship law was the primary focus of domestic and international rebuke because of a so-called “gypsy clause” that barred new citizenship status to those with criminal records in the preceding five years—a formulation thought to be targeted at Slovak gypsies resident in the Czech Republic. Official discrimination against the Roma, however, has been less notable than the periodic outbreaks of violence against Roma residents, a problem that Slovakia shares.

Still, the political landscape has generally been stable. No Czech government has fallen; the current governing coalition, led by Prime Minister Klaus, appears poised not only to survive until regularly scheduled elections for the lower house in June 1996, but to win them. A protracted dispute over the constitutionally mandated creation of the Czech

Senate seems to have been resolved by a December 1995 agreement to hold Senate elections in November 1996. Moreover, the Czech Republic is virtually the only postcommunist country in which the left has failed to gain a position in the ruling coalition, and in which the most powerful left-wing force is the Social Democrats rather than the former communists.

## **SLOVAK POLITICS AND THE “YEAR OF RETALIATION”**

The politics of Slovak independence has been far more tortured and personalized by five years of chronic conflict between Prime Minister Meciar and his opposition, conflict that repeatedly threatened the legitimacy of the basic constitutional ground rules. Meciar has held the post of prime minister three times since the 1990 elections. His first two stints (June 1990–April 1991 and June 1992–March 1994) ended in his ouster after political leaders

frustrated by his combative political style left the government. Each time the Slovak electorate has returned Meciar’s Movement for a Democratic Slovakia to office. This disjunction—an electable leader who cannot cooperate with other political elites, and cooperative politicians who cannot win elections—has bred persistent conflict over power, policy, and the constitutional order itself.

Generally, Meciar’s opposition has shown a clearer orientation to the West; the Jozef Moravcik government, which was in power between March and December 1994, was relatively accommodating on the language rights and treatment of Slovakia’s sizable Hungarian minority (some 12 percent of the population), and vigorously pursued the privatization process that had slowed during Meciar’s second government. Meciar’s third government, in turn, first delayed and then canceled the coupon privatization process in 1995, substituting instead a controversial bond issue. Government policies on Slovakia’s Hungarian minority, including the passage of a restrictive law in November 1995 on the public use of language other than the official Slovak, were symptomatic of a tougher line on national issues.

Individual policies, however, have been less central to Slovakia’s transitional dilemmas than Meciar’s personalist ruling style. Many key opposition figures are alienated Meciar allies or even former MDS partisans. Meciar appears to have pursued a

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vendetta against these opponents, especially the coalition that toppled his second government in 1994. Renegade MDS members, who split to form the Democratic Union at that time, have found their parliamentary mandates under continuing police and parliamentary investigation ever since.

Even more dramatic has been the continued confrontation between Prime Minister Meciar and President Michal Kovac. Kovac, selected by parliament as Slovakia's first president in January 1993, soon came into open conflict with the second Meciar government and contributed to its collapse in 1994. The president, too, has faced potential government investigations of his role in those events, as well as broader critiques of his alleged damage to Slovak interests and image at home and abroad. Lacking the necessary three-fifths parliamentary majority for Kovac's impeachment, the MDS government has repeatedly called for his resignation, curtailed his appointment powers, and passed symbolic resolutions of no-confidence against him. The most bizarre and dramatic development, however, occurred in August 1995, when unknown assailants abducted the president's son to Austria, where he was jailed in connection with a German investigation of corporate fraud. Opposition suspicions that this incident was stage-managed by the Slovak security services to discredit Kovac were intensified when the MDS government curtailed parliamentary discussion of the case and dismissed regular police investigators. The Meciar government has toyed with the option of removing the president by referendum, but December 1995 polls suggest that such an effort would fail. The confrontation continues, with President Kovac summarizing 1995 as a "year of political retaliation."

Concern about Slovakia's minority policy, economic reform commitment, and the persistent constitutional conflict led to sharply worded *démarches* in November 1995 from the European Union, the European Parliament, and the United States, among

others, warning that aid and support for Slovakia's integration into Western institutions were at risk. As a result, Slovakia's prior position as a frequently mentioned first-tier candidate for inclusion in NATO and the European Union has come increasingly into question.

### ONE PAST, TWO FUTURES?

Superficially, the two new republics might have expected to face similar challenges after independence. But this is only partially true. The larger Czech Republic inherited the old state, flag and all, but not the previous ethnic diversity and the more beleaguered Slovak economy. The Czechs also inherited the apparatus of the central government and greater consensus on the economic agenda. The absence of an intense historical debate on the meaning of Czech national identity may even have been an advantage to an ethnically homogeneous new country anxious to get down to business.

The Slovak position was less enviable, both economically and politically. Despite the long struggle for the expression of Slovak national identity, Slovakia was abruptly thrust into full sovereignty, in continued tension with its Hungarian minority. The sudden shift of the identity issue from conflict with the Czechs stripped Slovaks of the core issue that had previously defined Slovak politics, and created considerable disorientation. This disorientation, and the need to redefine the Slovak interests in an independent state, help explain the subsequent political turmoil. Postindependence Slovakia thus faces a more complex transition than that of the Czech Republic. In the larger context of postcommunist politics, however, Slovakia—with its continued though sometimes beleaguered free press, its succession of competitive elections, and renewed economic growth—still shows far greater prospect for an ultimately successful democratic capitalist transition than do a number of southeastern European or former Soviet states. ■



Six years after the collapse of communism, "the pace and depth of the Hungarian transition to democracy and a market economy are much less than had been anticipated," writes Patrick O'Neil. Nevertheless, he argues, this task "remains on course, despite fits and starts."

## Hungary's Hesitant Transition

PATRICK H. O'NEIL

**H**ungary has been described as a "nation of contradictions." Subjugated by an oppressive Stalinist dictatorship after the imposition of communist rule in 1948, it rose up in violent revolution in 1956 in a vain attempt to shake off Soviet domination. Yet out of this doomed revolution emerged not a return to extreme repression, but an informal compact between rulers and ruled that tolerated greater social expression and economic freedom in exchange for social passivity. With the collapse of communism in Eastern Europe in 1989 and 1990, it was widely believed that since Hungary had a headstart on political and economic change, the reforms that had built "the happiest barracks in the Soviet camp" would help shake off the vestiges of the old order.

Six years later, the pace and depth of the Hungarian transition to democracy and a market economy are much less than had been anticipated. Some of this is the result of exaggerated expectations; political and economic transformation require not just the undoing of prior mistakes, but the creation of a new order. Legacies from the communist era have also burdened the transition process. But there is also a realization that political leaders failed to seize the opportunities Hungary enjoyed in 1989, and that political and economic change has often suffered from paralyzing debate and political deadlock. While reforms have moved Hungary a long way down the road toward capitalism and democracy, this country, which has historically been adept

at compromise under external constraints, has been somewhat less successful forging ahead on its own.

### REVOLUTION FROM WITHIN

If anything set the Hungarian transition apart from that of its neighbors, it was the lengthy and incremental process by which communism collapsed. Indeed, in Hungary there was no revolution, "velvet" or otherwise, no mass demonstrations, no surprise rout of entrenched leaders at the ballot box. By the time elections were held in early 1990, the ruling Hungarian Socialist Workers' Party (MSZMP) had already been transformed by its own radical rank and file into a Western-style, social democratic political organization.

This revolution from within was characteristic of the entire transition process. By 1987, there were already expressions of crisis and reform, civic organization and authoritarian fragmentation within the party and society. Faced with increasing changes in the Soviet bloc, the party stagnated and fractured over how to respond, its power to rule slowly eroding. Democracy emerged, in essence, through piecemeal actions and default. When free elections did come, one-party rule was already dead.

As a result, the 1990 elections had a somewhat different tenor and outcome than others in Eastern Europe. The remnants of the MSZMP, now rechristened the Hungarian Socialist Party (MSZP), were not viewed as a threat to a successful transition. While some were loath to admit it, the MSZP was to a great extent responsible for political change. Hungary needed no Solidarity or Civic Forum to counter a monolithic communist party. And the party system that emerged in Hungary in 1990 proved to be much more differentiated than that found elsewhere in the region. Opposition forces coalesced into distinct political organizations, viewing each other,

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rather than communism, as the real adversary.

In terms of institutional change, agreements between the opposition and the old regime created a constitutional framework for a parliamentary democracy with a strong prime minister, and an indirectly elected president whose powers were more ambiguous. From the first democratic elections six major political parties emerged that continue to dominate parliament. The Hungarian Democratic Forum (MDF) which garnered the greatest share of seats in parliament, and the two parties with which it forged a ruling coalition, the Christian Democratic Party (KDNP) and the Independent Smallholders Party (FKGP), are right of center. The MDF's leader, the historian Jozsef Antall, became prime minister. The three other parties are on the left: the Alliance of Free Democrats (SZDSZ), the Alliance of Young Democrats (FIDESZ), and the MSZP.

Distinctions between "left" and "right" are deceptive. By Western standards, political views on the right are usually characterized as pro-market and socially conservative, with views on the left the opposite. But in Hungary the center-right parties that controlled the government from 1990 to 1994 were not simply conservative but also to varying degrees populist, drawing on a long tradition that focused on rural values and national identity and had little enthusiasm for modernization and its cultural products. In contrast, the SZDSZ, FIDESZ, and even the socialists were more market oriented, socially liberal, and Western in their outlook. This political cleavage in Hungary is typically described as a rural-urban split, one that divided the countryside from the capital long before socialism.

This division helps to explain much of the polarization and deadlock that characterized Hungarian politics during the first postcommunist government's tenure from 1990 to 1994. During the 1990 campaign, relations had already soured between the MDF and the SZDSZ, which were to become the two largest parties in parliament, over charges of anti-Semitism (several of the leaders of the SZDSZ were Jewish, and had been well-known dissidents during the 1970s and 1980s). This rift was widened by the fact that the constitution required a two-thirds majority for the passage of any legislation. The MDF-led government did not enjoy such a majority, and the opposition seemed unlikely to support its legislative agenda. The MDF and SZDSZ eventually

agreed to enact constitutional changes that limited the number of laws requiring a two-thirds majority, but in return the SZDSZ demanded and received government support for an SZDSZ member to assume the office of president. The MDF-led government would soon come to regret the bargain.

## THE STRUGGLE OVER THE PRESS

Of the many parliamentary controversies that would erupt between the government and the opposition, the battle over the broadcast media came to overshadow all the rest. On coming to power the new parliamentary parties sought to ensure the formation of an independent media, but this goal was compromised by the fact that many newspapers had spontaneously privatized in the last days of the old regime, leaving their staffs largely intact. For the new government, this meant that the

opposition had at its disposal a sympathetic press whose criticism of the coalition was ideologically based. Although the government and the opposition initially agreed to the appointment of temporary presidents to head state television and radio while new media legislation was hammered out, by 1991 it was clear that no agreement was forthcoming.

The government grew increasingly agitated by what it saw as a lack of change by television and radio; it had expected the provisional media presidents to carry out major revisions in programming and staff that would demonstrate a clear break with the socialist past. The media presidents responded that the government actually

wanted media content to change to better reflect the government's views. Relations between government and the state-run media rapidly deteriorated.

Eventually the government sought to break the stalemate by forcing the presidents of television and radio from power, arguing that under their direction the broadcast media had fallen into "alien hands" that did not represent Hungarian national values. Opposition parties countered that dismissal was not possible without a new media law.

An unexpected political force then weighed in: the president of the republic. While most political observers had expected that the presidency would be little more than a ceremonial post, the fact that many government appointments and dismissals required the signature of the president as well as that of the prime minister meant that the presidential office held unexpected power. The president,

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former SZDSZ parliamentarian Arpad Goncz, refused to approve the dismissals of the broadcast heads, citing constitutional provisions that allowed him to refuse if such actions would disrupt the state's democratic functioning. The political battle between parliamentary parties now extended into the executive branch, with the prime minister, who supported the dismissals, pitted against the president. Constitutional rulings failed to resolve this murky area of executive power.

By 1993 the government had finally succeeded in forcing both heads of radio and television to resign, replacing them with appointments more to its liking. But at what cost? The government gained greater control over the media, but in the eyes of many it had done so through undemocratic means. Indeed, the very nature of the struggle suggested to many that the government was more concerned with consolidating political power and smothering criticism than with carrying out substantial political reform. Government popularity declined, while opposition popularity steadily rose.

## THE ECONOMIC HALF-TURN

It was not just in the area of politics that the government came under increasing criticism. Reforms central to the creation of a healthy market economy also developed in a less than comprehensive and direct manner.<sup>1</sup> Hungary faced a number of economic challenges that required serious action, including a foreign debt of over \$20 billion, the largest per capita debt in Eastern Europe and a result of the past regime's practice of subsidizing domestic stability with borrowed cash. Like other Eastern European states, it also faced the task of privatizing or closing numerous industries that were oversized, inefficient, and uncompetitive in the global economy.

But Hungary was also seen as having specific advantages. Economic reforms carried out under communist rule had in many areas laid the groundwork for economic transition, creating legal institutions critical to a market economy. The emergence of a "second," private economy alongside the official socialist economy during the 1970s and 1980s had also helped foster entrepreneurial behavior. (Foreign businesses have found the country to be an attractive market, investing more in

Hungary than anywhere else in Eastern Europe since 1989.)

Despite these potential advantages, a market economy developed unevenly in Hungary during 1990-1994 and again, this has much to do with ideology. The ruling coalition, with its populist leanings, never fully accepted the need for fundamental economic reform. The creation of a modern market economy was not necessarily a primary objective; while the government rejected state socialism, its rural traditions were also suspicious of Western capitalism, fearing its negative effects. The leadership thought Hungary would be able to quickly undo the damage caused by socialist economics and return to an economy of small business and agriculture, reflecting the populist image of a "third way" that would avoid the evils brought about by dramatic urbanization—whether under capitalism or communism. In short, the new government, influenced by views formulated long before the emergence of a global economy, did not fully understand that successful economic growth could no longer be contingent on domestic developments alone.

This ambivalence toward economic change can best be seen in the fact that, unlike Poland and Czechoslovakia, Hungary did not have a strong economic leader to guide the prime minister, despite a surfeit of talented economists and advice from abroad. As a result, economic transformation lacked a comprehensive strategy and, perhaps more important, a strong political will that supported its policies. The need for dramatic economic change was thus not effectively "sold" to a population that was experiencing serious negative effects from reform.

Privatization occurred irregularly, with the government frequently changing strategy and policy while wavering in its support of foreign ownership of Hungarian economic assets. Social spending was not sufficiently reduced, and the political objective of restoring farmland to its original owners created a legal morass that damaged agricultural output and hindered needed exports. While reforms in the Czech Republic and Poland had by 1994 produced tangible signs of an economic turnaround, Hungary remained burdened by trade and budget deficits, a rising foreign debt, and annual inflation running at nearly 20 percent.

## FAMILIARITY AND CONTEMPT

Under these circumstances, the government saw much of its political support evaporate. But the loss of confidence in the government did not lead to its

<sup>1</sup>The following discussion draws heavily on Paul Marer, "Hungary During 1988-1994: A Political Economy Perspective," in U.S. Congress, Joint Economic Committee, *East Central European Economies in Transition*, (Washington, D.C.: Government Printing Office, 1994).



collapse. In contrast to the dramatic reorganization of political parties and electoral power elsewhere in Eastern Europe that followed the region's first free elections, Hungary retained a single government for its entire four-year tenure. Two reasons can be given for this. First, as mentioned earlier, Hungary's transition created parties that were more organizationally coherent than the mass-based, catch-all parties that arose elsewhere in the region to challenge and replace communism. Despite the confrontations and schisms that rocked many of the parties in the Hungarian parliament, all managed to remain intact and politically viable.

Second, constitutional provisions in Hungary led to the creation of a strong prime ministership. Parliament, for example, can issue a "constructive vote of no confidence," whereby the removal of the prime minister requires the concurrent election of a new one (in other parliamentary systems, the passage of a no-confidence motion requires the immediate resignation of the cabinet or new elections). Thus, although the MDF-led coalition government had become unpopular, conditions did not allow for the easy turnover of power. While this can be viewed as an important element of political stability in Hungary, critics might argue that it also prevents ineffectual governments from being easily turned out of office.

If nothing else, familiarity breeds contempt. By late 1993 the government was looking toward the upcoming general elections with increasing anxiety. In the previous year the MDF had been torn by a strong internal challenge by the extremist Istvan Csurka, whose nationalist and anti-Semitic polemics eventually led to a showdown between Csurka and Prime Minister Antall and to Csurka's subsequent expulsion from the party. In late 1993 Antall died after a long bout with cancer, leaving the MDF without a strong leader to fill his place. Fears arose that Csurka's rival movement would steal away many of the party's more conservative backers. To make matters worse, public opinion surveys showed that the MDF and its allies would fare poorly at the ballot box, and that voters were turning their attention toward the MDF's archenemy, the MSZP.

Since elections in 1990, in which socialists had not done well, the MSZP had been pursuing a low-key strategy in parliament, avoiding rancorous debates and capitalizing (ironically) on its image as

a party with governing experience. The MSZP leader, Gyula Horn, maintained a good deal of popularity, and was noted for his role as foreign minister in 1989 when he facilitated the mass emigration of East Germans through Hungary. The MSZP had also removed from its ranks many of the old guard who had survived the party's shake-up in 1989. As a result, heading into the 1994 elections the socialists were able to project an image of expertise and concern with social equality while at the same time calling for economic reform and Western integration. As in many other cases in Eastern Europe, the population, weary of the government's apparent incompetence and the general costs of transition, found the socialist platform an attractive alternative.

The MDF campaign during the election reflected a growing degree of panic. Using state-run radio and television, which it had effectively purged since gaining control, the government mounted a fear campaign in an attempt to turn the population against the MSZP. News reports and editorials began to question the socialists' commitment to democracy, warning of the restoration of "Bolshevik" power. Accusations were even made that MSZP party leader Horn brutalized and perhaps killed injured revolutionaries during the 1956 uprising, a charge Horn vehemently denied and which lacked evidence. Parliamentary opposition parties complained that the electronic media were clearly biased in favor of the ruling party, a charge substantiated by domestic and international organizations that monitored the Hungarian press.

But in the end the government's actions were in vain and, according to some observers, had the opposite effect of that intended. By exerting pressure to gain control of the electronic media, the government only further convinced the population that the current leadership was inept and suspect.

The election bore out these observations. The MSZP, which had won only 33 of 386 parliamentary seats in 1990, emerged as the overwhelming victor with 209 seats—an absolute majority. The MDF, which had won 164 seats in 1990, saw its power devastated, winning only 38. All other parliamentary parties saw their support decline or stay relatively the same. No new parties made any real inroads into parliament, despite the rise of several political challengers (including Csurka's national-

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*Despite dramatic changes in voter preferences, the party spectrum itself remains stable, a testament to the transition process that gave birth to it.*

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ist Hungarian Justice and Life Party). And despite dramatic changes in voter preferences, the party spectrum itself remains stable, a testament to the transition process that gave birth to it.

### AN INTERIM ASSESSMENT

Although the MSZP commanded enough parliamentary seats to rule alone, the party chose to further widen its base of support. By forming a coalition with the liberal SZDSZ, the government enjoyed control over two-thirds of the seats in parliament—enough to pass any legislation, including changes to the constitution itself. The new opposition, effectively marginalized, warned that the new government could enact radical changes without any real influence from the other side, allowing it to forge new constitutional provisions that would consolidate its political power.

So far these fears have been unfounded, if only because the MSZP-SZDSZ coalition has found power difficult to exercise. Despite promises by the new coalition that it would carry out reforms that had been neglected by the previous government, the new leadership can hardly be termed a success. While the government enacted belt-tightening economic policies designed to bring the budget deficit under control, they were considered insufficient by the IMF, which declined to lend needed funds to the government until further improvements were made. And in the area of privatization the government exhibited an inconsistent policy not unlike that of its ruling predecessor. On several occasions the sale of important state assets to foreign investors was blocked, calling into question the government's commitment to privatization.

Government policy has also been open to criticism in other areas. The government has been slow in drafting media legislation that would finally create a framework for politically independent radio and television; instead, on taking office the government engaged in its own round of purges of the state-run media, eventually sacking its own appointed head of television news after less than a year in the post. According to some observers, this dismissal resulted from what the government saw as excessive criticism of its actions by the television news. The government's ability to forge and enact

new policies was also weakened by tensions within the coalition, both between the MSZP and the SZDSZ over cabinet appointees, and within the MSZP itself over the pace of reform. The government has survived these challenges, but many question the coalition's ability to survive its entire four-year term.

### SIGNS OF HOPE

Despite these disappointments, the end of 1995 brought some signs of hope. Confronted by a growing budget deficit and external pressure, the government has shown new resolve in pursuing economic and political reform. Media legislation has finally been passed. Privatization of utilities, banking, and telecommunications appears to be moving more rapidly. Budget expenditures are also being trimmed. Discussions with the IMF appear to be back on track, although austerity measures have led to public protests, demonstrations, and strikes. Yet social disruption has been kept to a minimum. Despite fears, extremist organizations have been unable to capitalize on public discontent, though voter sympathy does appear to be once again swinging toward the right. Ironically, if the new government is able to carry out economic policies that are long overdue, the negative effects of these very policies on the population may guarantee the coalition's loss of power at the next elections.

Hungary's chances of emerging as a strong and stable nation are contingent on its place in the international order. Hungary, like many other Eastern European nations, sees its future within the framework of international institutions that will help foster trade, security, and integration; the nearly unanimous parliamentary support for the stationing of NATO troops on Hungarian soil en route to Bosnia clearly reflects this. Eventual membership in the European Union is equally critical. Western institutions have been hesitant to open the door too widely to the east, but this attitude will be less easily justified as political and economic reforms are solidified in the region. The task of building a new market economy and democracy in Hungary remains on course, despite fits and starts; its long-term success, however, will depend greatly on Hungary's acceptance as a full member in the community of developed nations. ■

## BOOK REVIEWS

### ON EASTERN EUROPE

*Exit into History:*

*A Journey Through the New Eastern Europe*

By Eva Hoffman. New York: Penguin Books, 1994. 410 pp., \$11.95.

In 1990, Eva Hoffman decided it was now or never. To visit Eastern Europe at such a volatile time would allow her to see a new world order emerge before her childhood home of communist Poland receded into memory. Hoffman undertakes her journey from the Baltic to the Black Sea twice, "because I felt that seeing twice is believing."

She takes us through Poland, Bulgaria, Hungary, Romania, and Czechoslovakia, picking up their stories where the newspapers and policy pieces often leave off, focusing on that which motivates and moves a people in societal flux. Where some observers, such as Sabrina Ramet in this issue of *Current History*, tell us of the oppressive Catholic state in Poland, Eva Hoffman complicates the issue of religion for the reader with her observance of a Catholic mass and the strength it gives to the people of a small Polish town.

Hoffman is a storyteller and she meets up with other fine storytellers in her travels, giving *Exit into History* a strong narrative flow punctuated with the keen reminder that as Eastern Europeans undergo drastic change, they are not really so different after all; Westerners must try to resist the urge to wax nostalgic about the cold war past that gave them such a clear idea of what they were and what they were not.

Hoffman, who came to Eastern Europe to witness monumental change, gives us instead a book of particulars—fragments of people's stories. We are intentionally left with few answers in the hopes that the stories told will help us make sense of more traditional accounts of change in the region.

Claudia Burke

*Sarajevo Daily:*

*A City and Its Newspaper Under Siege*

By Tom Gjelten. New York: HarperCollins, 1995. 271 pp., \$22.

In a refreshing turn for a journalist, National Public Radio correspondent Tom Gjelten makes no bones about his sympathies in the Bosnian conflict.

Nor does he flinch, however, when examining the Sarajevo daily *Oslobodjenje's* alternating phases of being an independent journal and occasionally a near-organ for the Muslim-led government. The difference in Gjelten's book is that he attempts to explain why these shifts occurred, placing them well in context of the war's circumstances.

Gjelten shows how *Oslobodjenje* (Liberation) was, unlike the major Western press organizations, always reminded (by the multiethnicity of the staff as well as its commitment to a democratic, tolerant Sarajevo) that much of the conflict was a gray area. At the same time, the trials its staff suffer, the successes and failures, all act as a barometer for how the multiethnic capital fared during war, peace, and innumerable cease-fires.

Sean Patrick Murphy

*Slaughterhouse:*

*Bosnia and the Failure of the West*

By David Rieff. New York: Simon and Schuster, 1995. 240 pp., \$22.

Omarska. Keraterm. Bosanski Samac. Like Mat-hausen, Majdanek, and Buchenwald, the names of these Bosnian Serb camps roll uneasily off the tongue. Yet unlike their lesser-known Nazi predecessors, they are already fading into historical obscurity—and, again unlike their predecessors, fading without the international community's judgment that evil was committed there.

*Slaughterhouse* bears witness to this evil; it is also an indictment of the West for its inaction in the face of what Rieff calls, without qualification, the Serb genocide in Bosnia. While Roy Gutman's 1993 collection of Pulitzer Prize-winning columns, *A Witness to Genocide*, details the crimes committed by the Bosnian Serbs in their ethnic-cleansing campaign, Rieff's purpose is larger: it is to frame the political and moral canvas of the Bosnian conflict.

Rieff has written a powerful book, one whose arguments—that the Serbs carried out a deliberate genocide of the Bosnian Muslims, that the Western powers allowed it to be carried out—require rebuttal or affirmation. They cannot, however, be ignored in arriving at an understanding of the defining European and American moment in the first days of the post-cold war world.

William W. Finan Jr.



## Yugoslavia's Disintegration and the Struggle for Truth

By Alex N. Dragnich. New York: Columbia University Press, 1996. 278 pp., \$35.

Those who believe that the Serbs have been ill-served by the media in the Yugoslars will find much to bolster those beliefs in this collection of previously published essays and op-ed pieces by retired Vanderbilt professor Alex Dragnich (29 unpublished—perhaps rejected?—op-ed comments are also included). Dragnich argues that the Serbian response to Yugoslavia's dissolution was not part of a program to create a Greater Serbia but only the justified military reaction to the illegal secession of its constituent republics. This is partisan commentary masquerading as dispassionate analysis; it is hardly in keeping with past volumes in the East European Monograph series.

W. W. F.

versity Press, 1995. 598 pp., \$65, cloth; \$23.95, paper.

Sabrina Petra Ramet thoroughly examines how societal change catalyzed political change in Eastern Europe in this revised and updated volume. Religion, rock, feminism, and environmental activism are among the areas she explores in this engaging, well-written survey.

O. E. S.

## ALSO RECEIVED

### The Muslims of Bosnia-Herzegovina: Their Historic Development from the Middle Ages to the Dissolution of Yugoslavia

Edited by Mark Pinson. Cambridge: Harvard University Press, 1994. 187 pp., \$14.95.

### Romania After Ceausescu

By Tom Gallagher. New York: Columbia University Press, 1996. 267 pp., \$29.50.

### The Road from Paradise: Prospects for Democracy in Eastern Europe

By Stjepan G. Mestrovic, with Miroslav Goreta and Slaven Letica. Lexington: The University Press of Kentucky, 1993. 204 pp., \$28.

## Social Currents in Eastern Europe: The Sources and Consequences of the Great Transformation, 2d ed.

By Sabrina Petra Ramet. Durham, N.C.: Duke Uni-

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### UNITED STATES

15. W.E.B. Du Bois, "A Negro Nation Within the Nation." June 1935. (6 pp.)
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20. Edward M. Kennedy, "The Need for Gun Control Legislation." July/August 1976. (4 pp.)

### WESTERN EUROPE

21. Winston Churchill, "What Can England Do About Hitler?" October 1938. (3 pp.)

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# THE MONTH IN REVIEW

January 1996

## INTERNATIONAL

### Middle East Peace Process

Jan. 6—Outside Washington, D.C., Israeli and Syrian negotiators conclude a 6-day preliminary round of talks on a possible peace agreement.

## AFGHANISTAN

Jan. 3—A suburb southwest of Kabul is struck by rockets; 20 people are reported killed and 48 injured; the government blames Taliban rebels for the attack.

Jan. 14—Fighting between Taliban rebels and government forces closes the remaining supply route into Kabul; residents of the city face imminent food shortages.

Jan. 29—In Kabul, 3 people are injured and 1 killed when Taliban rebels fire rockets into the city; the attack ends a January 21 cease-fire. President Burhanuddin Rabbani declared in honor of Ramadan.

## ANGOLA

Jan. 9—The opposition Union for the Total Independence of Angola (UNITA) agrees to resume talks with the government on implementing the 1994 peace accord that ended 19 years of civil war.

## ARGENTINA

Jan. 31—Army Lieutenant Ignacio Canevaro is convicted of murder and sentenced to 15 years in prison for ordering a beating in 1994 that resulted in the death of a soldier; the incident prompted Argentina to end its draft system in 1995.

## AUSTRIA

Jan. 29—US Ambassador to Austria Swanee Hunt delivers information to the Austrian government identifying the location and contents of 79 weapons stockpiles hidden in western Austria at the end of World War II; American troops left the stockpiles to aid anticommunists in the event of a Soviet invasion.

## BAHRAIN

Jan. 9—The Islamic Front for the Liberation of Bahrain claims that police broke up recent anti-government demonstrations with tear gas and live ammunition; a government source states that "legal methods" were used.

Jan. 22—The government announces the arrest of Sheik Abdul Amir al-Jamri and 7 other Shiite Muslim opposition leaders; the 8 are accused of involvement in what is said to be a foreign-backed attempt to threaten Bahraini security.

Jan. 23—The government says it has made a number of arrests after a 3d night of antigovernment rioting in several Shiite villages.

## BOSNIA AND HERZEGOVINA

Jan. 4—Under NATO pressure, Bosnian Serbs release 16 Bosnian civilians detained on January 2.

Jan. 9—A grenade is fired into a streetcar from a Serb-held suburb of Sarajevo, killing 1 person and wounding 19; Bosnian Serb leader Radovan Karadzic denies any Bosnian Serb militia involvement in the attack.

## BURMA

Jan. 5—*The New York Times* reports that drug lord Khun Sa surrendered this week in return for a promise of amnesty; Khun Sa's army was the last major insurgency operating against the military government.

## CHINA

Jan. 5—US-based Human Rights Watch reports that thousands of children have died in state-run orphanages as a result of deliberate starvation and physical abuse; the government denies the allegations.

Jan. 16—American military attaché Colonel Bradley Gerdes and Japanese military attaché Colonel Kenji Maetani are expelled on charges of espionage.

Jan. 26—US officials confirm that the US aircraft carrier *Nimitz* passed through the straits dividing Taiwan and China on December 19, 1995; this is the 1st time a US navy ship has entered the straits since 1979.

## COLOMBIA

Jan. 8—The government says it suspects leftist National Liberation Army rebels are responsible for 2 dynamite attacks yesterday that closed an oil pipeline in northeastern Colombia.

Jan. 11—José Santacruz Londoño, a Cali drug cartel leader, escapes from La Picota prison in Bogotá.

Jan. 24—President Ernesto Samper requests a public referendum on his presidency; the request comes after Fernando Botero, the former minister of defense and Samper's 1994 campaign manager, charged earlier this week that Samper knew drug traffickers provided several million dollars in campaign contributions to Samper's 1994 bid for the presidency.

Jan. 25—The opposition Conservative Party announces it is withdrawing its support of the Samper government.

## EGYPT

Jan. 4—Kamal al-Ganzoury is sworn in as the new prime minister.

Security officials blame Muslim militants for an attack in southern Egypt that leaves 2 people dead; it is the 3d such attack in less than 2 days.

Jan. 13—A military court sentences 6 people to death and 12 others to prison terms of up to 12 years for receiving "terrorist" training in Sudan in preparation for attacks designed to overthrow the Egyptian government.

## FRANCE

Jan. 8—Former President François Mitterrand dies in Paris.

Jan. 29—Government officials announce that France will no longer conduct nuclear weapons testing; the announcement comes after a January 27 test in the South Pacific.

## GREECE

- Jan. 15—Prime Minister Andreas Papandreu resigns but remains leader of the ruling Panhellenic Socialist Movement; he has been hospitalized since November 20.
- Jan. 18—Costas Simitis is elected prime minister by parliamentary Panhellenic Socialist Movement members.
- Jan. 30—*The New York Times* reports that Greek and Turkish armies have moved their troops off a small island in the Aegean Sea this week; both countries claim the uninhabited island.

## GUATEMALA

- Jan. 8—Final results in the presidential runoff election show that conservative Party of National Advancement candidate Alvaro Arzú has won 51.2% of the vote, defeating Guatemalan Republican Front candidate Alfonso Portillo, who received 48.8% of the votes cast.

## HAITI

- Jan. 30—Gbetie Françoise Dennis, a UN police officer from Benin, becomes the 1st UN peacekeeper to be killed in Haiti by hostile fire; 1 suspect is being held in the attack. UN peacekeeping forces are scheduled to leave Haiti February 29.

## INDIA

- Jan. 3—A bomb explodes at a bazaar in New Delhi, killing 6 people and wounding 31; the Jammu-Kashmir Islamic Front, which has been fighting for Muslim independence for 6 years, takes responsibility.

## IRAN

- Jan. 23—Parliament approves a \$20 million plan to combat what it says are US covert actions aimed at replacing the current Iranian government.

## IRAQ

- Jan. 16—The government announces it is willing to discuss a UN Security Council plan to allow limited oil sales to finance emergency relief for the civilian population; an international embargo on Iraqi oil has been in effect since the August 1990 Iraqi invasion of Kuwait.

## ISRAEL

- Jan. 11—The government frees 812 Palestinians prisoners under an agreement to release 1,200 Palestinian prisoners by January 20, when Palestinian elections are to be held. With the release of the 812 prisoners, Israel continues to hold between 4,000 and 5,500 Palestinian prisoners.
- Jan. 14—Yigal Amir, Hagai Amir, and Dror Adani are formally charged with conspiring to murder Prime Minister Yitzhak Rabin; the 3 suspects must enter their pleas by February 26.
- Jan. 16—Palestinian gunmen kill 2 Israeli soldiers in an area north of Hebron; the attack is believed to be retaliation for the January 5 assassination of Yahya Ayyash, a Hamas military wing member. Israeli forces are scheduled to begin pulling out of Hebron in March.
- Jan. 19—Outside the West Bank city of Jenin, 3 Hamas members are killed by Israeli soldiers after they wound an Israeli civilian.
- Jan. 27—Israel agrees to make financial restitution of \$400,000 to the family of Ahmed Bouchikhi, a Moroccan waiter who was killed by Israeli agents in 1973 after he was mistakenly identified as Ali Hassan Salameh of the Palestinian Black September terrorist group.

## ITALY

- Jan. 11—Prime Minister Lamberto Dini resigns to avoid losing a no-confidence vote.

## JAPAN

- Jan. 5—Socialist Prime Minister Tomiichi Murayama resigns.
- Jan. 12—Ryutaro Hashimoto, leader of the Liberal Democratic Party, is elected prime minister, winning 288 of the 489 votes cast in the upper house of parliament; his opponent, Ichiro Ozawa, received 167 votes.
- Jan. 21—A bus full of explosives crashes into the Parliament building; the Japan Imperial Peoples Party takes responsibility for the crash, saying it was in protest of Prime Minister Hashimoto's economic policies; no one was hurt.

## KOREA, SOUTH

- Jan. 23—Former President Chun Doo Hwan is indicted for his role in the Kwangju massacre in 1980 in which hundreds of pro-democracy demonstrators were killed.

## LESOTHO

- Jan. 15—King Mshoeshe II dies in a car accident; his son, Crown Prince David Mohato, is expected to succeed him.

## LIBERIA

- Jan. 10—More than 60 soldiers from the West African peacekeeping force in Liberia are killed in intermilitia fighting.

## MEXICO

- Jan. 10—Security officials arrest 17 police agents and 4 high-level government officials for planning and attempting to cover up the June 1995 massacre of 17 peasants who were traveling to a leftist rally near the Pacific coast.
- Jan. 15—Federal authorities arrest Juan García Abrego; he is extradited to the United States, where he is wanted on drug trafficking and money-laundering charges.

## NICARAGUA

- Jan. 24—A court in León convicts 12 people, several of whom have connections to the Sandinista Party, of involvement in a series of bombings of Roman Catholic churches; Pope John Paul II is scheduled to visit the country in February.
- Jan. 25—In the 1st reported instance of violence in this year's presidential race, gunmen open fire on presidential candidate Arnoldo Aleman; 1 bodyguard is killed and 3 other people wounded; Aleman was uninjured. The gunmen are suspected to be former Sandinista soldiers.

## NIGERIA

- Jan. 19—The United Front for Nigeria's Liberation, a previously unknown guerrilla group, takes responsibility for 2 airport bombings as well as last week's plane crash in which military ruler General Sani Abacha's son, Ibrahim Abacha, was killed.

## PALESTINIAN AUTHORITY

- Jan. 3—Palestinian security forces release Bassem Eid, an outspoken Palestinian human rights advocate; he had been detained without charges for 24 hours.
- Jan. 5—Yahya Ayyash, a Hamas military wing member believed to have been responsible for organizing several suicide bombings in Israel, is killed in the Gaza Strip. No one has claimed responsibility for the attack.
- Jan. 7—PLO chairman Yasir Arafat accuses the Israeli



government of involvement in the January 5 assassination of Ayyash.

Jan. 22—Final results for the January 20 Palestinian Authority general elections show that PLO chairman and Fatah candidate Yasir Arafat won the presidency with 88.1% of the vote; Samiha Khalil, who opposed the Israeli-PLO peace accord, won 9.3% of the vote; the remaining 2.6% of the ballots were blank. Results for the 88-member Palestinian Council give Fatah approximately 75% of the seats; the remaining seats will be held by a variety of independent candidates critical of Arafat and his policies.

## PERU

Jan. 11—A secret military court sentences an American citizen, Lori Berenson, to life in prison after convicting her of treason for her involvement with the Marxist Túpac Amaru Revolutionary Movement.

## POLAND

Jan. 24—Prime Minister Jozef Olesky resigns after military prosecutors announce that they intend to investigate Olesky's involvement with the KGB.

Jan. 31—The governing coalition nominates former communist Włodzimierz Cimoszewicz, a deputy speaker of parliament, to become the next prime minister.

## PORTUGAL

Jan. 14—Socialist candidate Jorge Sampaio is elected president with 53.8 % of the vote; his rival, former Prime Minister Anibal Cavaco Silva, received 46.2%.

## RUSSIA

Jan. 9—In the Dagestani republic city of Kizlyar, Chechen rebels seize a hospital, taking approximately 3,400 hostages; as many as 30 people are killed. The rebels are demanding the withdrawal of Russian troops from the secessionist republic of Chechnya.

President Boris Yeltsin names foreign intelligence director and Russian Security Council member Yevgeny Primakov foreign minister; liberal Andrei Kozyrev resigned from the post January 5.

Jan. 15—Russian troops launch attacks on the Chechen rebels, who have fled from Kizlyar to the Russian republic city of Pervomayskoye; the rebels still hold more than 100 hostages; 60 Chechen fighters and 4 Russian soldiers are reported killed.

Jan. 19—Chechen hijackers release the more than 200 hostages they had been holding on a Black Sea ferry since January 16 before surrendering to Turkish authorities.

Yeltsin reports that 82 of the 120 hostages held at Pervomayskoye are alive and that of the 300 Chechen rebels present, 153 have been killed and 30 captured; most of the town was destroyed in the Russian assault on the rebels.

Former acting Prime Minister Yegor Gaidar resigns from Yeltsin's senior advisory council, citing his disapproval of Yeltsin's handling of the war in Chechnya.

Jan. 25—Yeltsin names Avtovaz automobile manufacturing director Vladimir Kadannikov deputy prime minister; free market economic reformer Anatoly Chubais resigned from the post January 16.

## SAUDI ARABIA

Jan. 1—King Fahd, age 74, orders his half-brother, Crown Prince Abdullah, to assume authority while he takes a medical leave of unspecified duration to recuperate from "exhaustion"; Western officials believe that Fahd is recovering from a stroke.

## SOUTH AFRICA

Jan. 29—Gunmen kill 8 people and wound 23 in an attack on job-seekers in Johannesburg; African National Congress spokesmen believe the attack was an attempt to disrupt peace efforts in KwaZulu-Natal province.

## SRI LANKA

Jan. 31—A truck bomb explodes outside a bank in Colombo, killing more than 70 people and wounding 1,400; authorities believe the rebel Tamil Tigers are responsible for the attack.

## TANZANIA

Jan. 22—Officials report that the army has shut the border with Burundi, forcing 17,000 Rwandan Hutu refugees fleeing violence in Burundi to return.

## UNITED KINGDOM

### Great Britain

Jan. 4—The government orders Mohammed al-Massari, a leading Saudi Arabian dissident, to leave the country; Massari, who had sought asylum in April 1994, is appealing the order.

### Northern Ireland

Jan. 23—The International Commission for Disarmament in Northern Ireland recommends that Britain relinquish its demand that the Irish Republican Army begin to disarm before all-party peace talks begin.

## UNITED STATES

Jan. 6—President Bill Clinton approves a congressional plan to return 760,000 federal workers to the government payroll through January 26; a partial reopening of some government operations is budgeted through September 30.

Jan. 17—A federal district court sentences Sheik Omar Abdel Rahman to life in prison for planning a coordinated set of terrorist attacks in New York City; 9 other defendants in the case receive sentences ranging from 25 years to life.

Jan. 19—The first lady, Hillary Rodham Clinton, is subpoenaed to appear before a federal grand jury investigating the appearance of previously unaccounted for billing records related to the ongoing investigation of the Clinton's Whitewater real estate investment deal; White House officials believe this is the first time a first lady has been called to testify before a federal grand jury.

Jan. 24—Michael New receives a bad-conduct discharge from the army after a military jury convicts him of disobedience for his refusal to serve under UN command in Macedonia.

Jan. 26—The Senate approves the 1993 START II strategic arms reduction treaty, signed by President George Bush and Russian President Boris Yeltsin, by a vote of 87 to 4; the treaty still must be approved by the Russian legislature.

Jan. 31—After the departure of the 124 remaining Cuban refugees, the government officially closes the tent cities at the Guantánamo Bay naval base, where approximately 50,000 Cuban and Haitian refugees intercepted by the Coast Guard since 1994 were held.

## YEMEN

Jan. 25—Al-Aslam tribesmen take 17 French tourists hostage in an attempt to secure the release of a relative jailed on kidnapping charges.

Jan. 30—The hostages are released unharmed; officials arrest 4 of the tribesmen. ■





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